

San Juan River Village Metropolitan District Regular Monthly Meeting Minutes

June 18, 2015

The meeting was called to order at 6:35 pm by Carrie Wienckowski, President. The directors present were Dennis Jeffrey, Steve Wilkins, Bill Wittwer and Linda Gundelach. Property owners present were: Dan McCullum, Julene Campbell, Brian Sinnott, Russ & Bonnie Weathers, and Jan Wittwer. Tim McRee, Operations Manager, was also present. Mike Branch, CPA, was also present. Cynthia Purcell, District Manager, took minutes.

Mike Branch, CPA, presented an audit report to the board. The financial condition of the District is excellent. The District paid off \$518,678 in debt. In spite of that, the District still had \$439,722 in cash reserves at the end of the year. Eliminating paying off the debt and depreciation, revenues exceeded expenditures by \$73,000 in the General Fund, \$22,000 in the Water Fund, and \$16,000 in the Sewer Fund. The General ledger was well prepared and all transactions tested were adequately documented. He doesn't anticipate the District needing an audit next year.

Steve moved to approve the minutes for May 7, 2015. Linda seconded and the motion carried.

Water Department Report:

The customer water usage report was reviewed for May – 217,350. Carrie was concerned about the possibility of lost revenue due to low water consumption (no outside watering this past month due to rain). Cynthia reported that at the end of May the District had already brought in 67% of the anticipated revenue for the year.

Cynthia reported on the 3 phase power project. LPEA's Right of Way department is formalizing the easements. They have not provided a copy of the easement yet so the District has not been able to move forward with securing an agreement with the property owner to remove the tree. Steve suggested asking the property owner to contract with someone to remove the tree and the District would reimburse them. The board discussed possibly using the cut tree to delineate a parking area. Dennis moved to ask the landowner if they would be willing to contract with someone to cut the tree down and be reimbursed by the District, not to exceed \$1,000. Linda seconded and the motion carried. Cynthia will investigate the cost of cutting the tree down with a contractor and work with attorney, Jeff Driscoll, to get a formal agreement in place to authorize the Metro District to remove the cut tree on Ms. Gonzales' property.

Tim reported on the water treatment plant membrane replacement project. In order to comply with state regulations, a cross connection control for chemical cleans will need to be installed prior to the membrane replacement. FEI will engineer the new connection and submit the appropriate documentation to the state. Scinor will then an associate out to install the membranes.

Tim reported that he and Gene have been discussing the brown water issue reported from several homeowners. They believe the problem is related to caustic dosing (pH regulating). They are meeting tomorrow to investigate possible solutions. The board discussed having the brown water sampled and tested for water quality.

Cynthia reported that she contacted the owner of the lot next to the water tank to negotiate an easement for road access. The property owner was not interested in granting an easement, as the lot is currently on the market for \$20,000. She asked that the District make her an offer to purchase the lot instead. The board discussed delaying a capital improvement project to move Weber's headgate (projected to cost \$15,000) until next year to allow for an offer to be made on this property. Steve moved to authorize Cynthia to negotiate an offer to purchase the lot, starting at \$10,000, but not to exceed \$15,000; and if successful, to sign the contract and close the deal. Dennis seconded and the motion carried.

Tim reported that he has been discussing the computer upgrade with PALL associates. The last bid we received from them approximately one year ago was for almost \$60,000 to perform the upgrade. They have since done some investigating and can transfer the software licensing agreement to the District. The District would need to purchase a new computer with Windows 7 and PALL would transfer all the

software from the old computer and update the new one for \$2,700. This project was budgeted for \$24,000 in 2015. Tim will proceed with the upgrade if it comes under budget.

Sewer Department Report:

Jeff Driscoll sent a letter to Jim Higgs requesting a meeting with District staff when he is in town next, to discuss efforts to shore up the hillside to protect the District's sewer line. Jeff is also working on cleaning up the paperwork for the easements along the Alpine sewer line.

Tim reported that there are 3 manholes in need of rehab at this time.

Road Department Report:

Dennis reported that efforts are being made to improve the roads. The potholes have been filled in. Due to limited summer help, he asked that property owners be patient. The plan is to pull the gravel from the ditches and rake out the vegetation to be reused. The \$20,000 budgeted will go toward additional gravel to recrown and improve the roads. They will be starting at the top of the mountain and working their way down toward the river. Carrie requested that the board consider budgeting a substantial amount of money for road improvements next year.

The board discussed the current weed control policy. Under Colorado State Law (Noxious Weed Act), property owners must maintain their lot against the encroachment of non-native, noxious weeds. Tim will only spray noxious weeds within the road right-of-ways and all Metro property. A homeowner can request to be put on a "no spray" list for medical reasons through the State of Colorado. Tim will not spray weeds on their property and is required to notify them 24 hours in advance of any spraying on adjacent properties. For those property owners who are concerned about spraying, there is the option of cutting/mowing noxious weeds, and disposing of the seed pods in a manner which prevents the weeds' proliferation, on your property and within the District's right-of-ways. If no weeds are present within the right-of-way, Tim will not spray.

The road to the boneyard is complete. Tim needs to do some cleanup and seeding. Cynthia will contact MaryAnn Camacho to coordinate the work before Tim proceeds.

Parks & Recreation Department Report:

Carrie asked Tim to mow around the bridge and an access path for boating on the Brinkmann lot.

Steve requested that painted rocks be placed throughout the neighborhood, in accordance with the POA's Guidebook. Julene volunteered to coordinate the project with Tim and the summer help.

Administrative Report:

The District is in compliance.

Seventeen delinquencies totaling \$15,847.79 were noted. Carrie asked Cynthia to validate if the District has a set policy about the property owner still being responsible for delinquent fees if their renter doesn't pay. Cynthia will report back.

Cynthia distributed a copy of the District's property and liability insurance via email prior to the meeting. She reported that the Colorado Special Districts Property and Liability Pool uses a 7 year curve to calculate the loss ratio: the amount of contributions (per line item) made by the District over 7 years vs. the claims against it. Once a District reaches a 60% loss ratio, the Pool will begin negotiations to impose a mandatory deductible. If the loss ratio is higher than 60%, the District's rates will go up, per that line item. It is not clear at this time how the recent trial will affect the District's rates. The renewal period begins in September to establish rates for next year. The District's loss ratio will be determined at that time.

Carrie requested that anytime a District board member or employee enter a property of a landowner, that the landowner be notified prior to the event.

Tim reviewed his summer project list with the board: He will be replacing the roof on the storage shed next to the Skunk House; 3 phase electrical project and tree removal; computer upgrade; WTP membrane project; rebuilding WTP parts; building a winch for caustic drum; weed spraying; repairing a water leak at the plant; re-doing the drip system for trees by Skunk House; Harman culvert replacement (dependent on Andy Weber's schedule). Keith is gone for one month, but his brother will be filling in for him 2 days per week, in his absence.

Treasurer's Report:

Cynthia reported on the P&L's, Balance Sheet, General Fund, Sewer Fund, and Water Fund. Bill moved to accept the financials. Linda seconded and the motion carried.

There were no bills presented for payment.

Old Business:

Cynthia gave an update on the Harebell Bridge project. FEMA requested additional information for evaluation from SEH regarding the floodplain LOMR. SEH has asked for clarification on whether this restarts the 90 day response period.

The Hanslip Petition for Exclusion of property – Unit 2, Lots 167-177 has been postponed until the July meeting. Mr. Hanslip has not submitted his notarized petition to the District yet.

Jeff Driscoll is investigating the possibility of transferring the maintenance of the fence from the POA to the Metro District. Steve reported that the company that installed the fence will maintain it for another 2 years (5 year warranty) and make all repairs necessary.

New Business:

Bill reported that he sent the approval letter to Linda Gundelach for her well permit.

Other Business:

Julene gave a POA report. They will be holding a meeting on July 14th and the annual picnic is scheduled for July 18th. The election of officers will take place at the picnic.

There being no other business, Steve moved to adjourn the meeting at 8:59pm. Bill seconded and the motion carried.

Respectfully submitted,

Cynthia Purcell
District Manager