

**SFTR METRO DISTRICT  
BOARD OF DIRECTORS MEETING  
109 W. MAIN ST.  
TRINIDAD, CO.  
April 4, 2006 at 9:00AM**

Board Members: Jim Davis, Robert T. Scott, Robert L. Scott, Rick Kinder, Mike Shelton

## **Minutes**

1. CALL TO ORDER - Jim Davis called the meeting order at 9:01 am.
2. PROOF OF NOTICE - Yes.
3. INTRODUCTION AND ROLL CALL - Board members present: Jim Davis, Bob T. Scott, Mike Shelton, Rick Kinder and Bob L. Scott. Guests present: Donna Scott and John Noard. Also present: Gail Thomas from CFG.
4. DETERMINATION OF A QUORUM - Yes.
5. SECRETARY'S REPORT  

Approval of the Minutes from the Previous Meeting- Bob L. Scott moved to approve the minutes from the last meeting. Mike Shelton seconded. All were in favor. Motion passes.
6. TREASURER'S REPORT  

Approval of Monthly Financials-Bob T. Scott moved to approve the February financials. Bob L. Scott seconded. All were in favor. Motion passes.
7. UNFINISHED BUSINESS
  - A. **Discussion of Mutual Aid agreement with FPPFD** - The Board reviewed the water use/mutual aid agreement and made modifications. Rick Kinder moved to approve the document with changes. Bob T. Scott seconded. All were in favor. Motion passes. Bob T. Scott will work on the changes and send to the other Board members via email for their final approval. Once approved this document will be submitted to the FPPFD Board.
  - B. **Discussion of proposals to the city for continuing regular and special taps** - Bob T. Scott discussed the possibility of rate increases to water rights and plant investment fees, but suggested that current contract be left as is and inform SFTR residents that increases may be a possibility if they do not commit to a tap by contract's end. Bob L. Scott moved to table talks with the City regarding the current water contract. Mike Shelton seconded. All were in favor. Motion passes.
8. NEW BUSINESS

- A. **Discussion of letter to District residents** - Bob T. Scott will draft a letter to the residents giving them an update on the water system and encouraging them to secure water taps during the current water contract timeframe. Bob will present this letter to the Board either through email or at the next Board meeting for review.
  
  - B. **Discussion of meeting notice locations** - It was the consensus of the Board to post notice of board meetings at the guard shack, the bulletin board and the Lazaro fire station. Notice will also be posted on the website.
  
  - C. **Other** - Bob T. Scott presented his Emergency Fire Support plan to the Board. The plan calls for installation of 8 fire hydrants on the Ranch. Bob L. Scott will look into prices for material and labor, but the estimate is \$25,000. Bob T. Scott moved to approve up to \$25,000 for the installation of 8 fire hydrants to enhance emergency fire support on the Ranch. Bob L. Scott seconded. All were in favor. Motion passes. Bob T. Scott will amend the 2006 budget to include this capital expenditure and post notice of the amended budget.
9. **ADJOURNMENT** - Bob T. Scott moved for adjournment at 11:15 am. All were in favor. Motion passes.

**SFTR Metro District  
Board of Directors Meeting  
109 W. Main St.  
Trinidad, CO  
August 29, 2006**

Board of Directors: Richard Kinder, Donna Scott, Robert L. Scott, Robert T. Scott, Michael Shelton

## **Agenda**

1. **Call to Order** was made by President Mike Shelton at 9:01 am.
2. The **Proof of Notice** was provided by Secretary Donna Scott noting that postings were in the Chronicle, at the County Court House, The SFTR web site calendar and the SFTR Bulletin Board.
3. Mike Shelton identified **members** as all being **present**.
4. Mike Shelton declared a **Quorum**.
5. **Public Hearings** ♦ none
6. John Sanders and Jim Davis were **guests** present.
7. **Public input** - none
8. **Secretary Report:**

Minutes of the last Board meeting were provided by Gail Thomas of Century Financial. The minutes were reviewed by Donna Scott. Robert T. Scott made the motion that the minutes be accepted and this motion was seconded by Robert L. Scott. Minutes were approved unanimously.

9. Robert T. Scott provided the **Treasurer's report** using financial data current through July 31, 2006 (see [Attachment A](#))

Robert L. Scott stated he had been in discussions with the contractor for the last month about increases to the contractor's cost due to labor and fuel increases. The contractor is to get back to Robert L. Scott and let him know his requirements. Robert L. Scott stated he will keep the fuel adjustment charge as it currently is. Robert L. Scott stated the contractor sells us parts from time-to-time at his cost with no mark-up and confirmed the statement by Robert T. Scott that the Metro does the same with our materials to the contractor.

Robert T. Scott asked about the cost of the installation of the poppet valves and Robert L. Scott stated it was between \$1200 and \$1300. Robert L. Scott stated the instructions were not clear for about the first 16 which were consequently installed backwards and had to be redone.

Robert L. Scott made the motion that the Board direct the Treasurer to retire between 7 to 10 \$5000

bonds in the next bond call which would be done in December 2006 before the next scheduled Board meeting and it was seconded by Richard Kinder. The motion was approved by a unanimous vote.

Robert T. Scott stated the audit should close in September.

#### 10. Unfinished Business:

- a. **Hydrant Installation:** Robert L. Scott reported that all fire hydrants were installed and functional. To date the installation is a little under budget. The hydrants were inspected by the fire department and they were pleased with the installation.

The Brown's, owners of lot D-2, have made a request of the Board to have a fire hydrant installed at their property front at the Brown's expense. The following points were discussed by the Board:

- i. Robert L. Scott stated there could be inadequate pressure.
- ii. Donna Scott did not want to mislead the insurance companies.
- iii. Mike Shelton stated it was a low flow type system.
- iv. Robert L. Scott stated there could be water availability issues and fluctuations.
- v. Robert L. Scott stated the fire department reviewed the Metro installation plan and determined and approved the optimum hydrant locations.
- vi. Robert L. Scott stated cisterns were part of the POA plan for fire protection.
- vii. Mike Shelton stated the Metro cannot install fire hydrants wherever a customer may want if cost was not an issue.

*The Board agreed the current fire hydrant locations would be the only ones due to the above discussion with emphasis on the fire department directions.*

- b. **Poppet Valve Installation:** Robert L. Scott reported that all poppet valves had been installed at a total cost of \$3000. Mike Shelton reported there had been no feedback to the letter sent to about 50 full time water customers.

#### 11. NEW BUSINESS

- A. **Expense Reimbursement for Board Members:** Robert T. Scott presented a procedure for expense reimbursement for Board members. There are several dynamics involved in Board member reimbursements such as compliance with State requirements and overall equity to the Metro and its Board members performing task for the day-to-day operations of water distribution. Robert T. Scott stated we lose tax exemptions when individuals make purchases on their own without the benefit of the Metro's tax exemption status. Robert T. Scott presented the option of having a credit card to minimize these exposures. Robert L. Scott stated he was in favor of the credit card. Robert T. Scott stated there were other options such as precutting of checks and Robert L. Scott

stated this process would be very cumbersome. Mike Shelton stated it would eliminate reimbursement issues and protect the tax exemption, Robert T. Scott stated it would provide flexibility. Robert L. Scott stated we should have one for all Board members. Robert T. Scott will look into getting a card for each Board member. Further discussions were centered around the last paragraph of the procedure directing as much work as possible to contractors. The word "will" was changed to "may" and all agreed to the procedure at that time. Mike Shelton stated the Metro goal should be to more fully utilize contractors. Robert T. Scott motioned that we adopt the expense procedure (see [Attachment B](#)) and it was seconded by Mike Shelton. All voted in favor.

- B. **Undocumented Worker Certification:** Robert T. Scott presented the new law regarding undocumented workers. Discussions were around the scope of the law. The Metro attorney has provided a sample agreement that the Metro must have all providers of service agree to in writing. Robert T. Scott will identify these contractors and put the documents in place.
- C. **Vacation Coverage ♦ Tank levels, Sanitation:** Mike Shelton stated he wanted vacation coverage for the maintenance and repair and sanitation operations of the Metro. Robert T. Scott stated the State will only accept his signature on all testing and he would manage chlorine levels in advance of any absence. Robert L. Scott stated Mike and Richard can do a minimum level of repairs to the system and can run the pumps manually as a last resort. He also suggested phone contact with himself if these actions were not satisfactory.
- D. **Other:** John Sanders presented current activities to bring broadband to the Ranch. John stated the initial supplier had some service issues and he was working with a company out of Trinidad who looked to be a better fit for Ranch needs. This company, undisclosed at this time, would use transmission tower capabilities on Raton Mesa and had a good reputation. John reported he had contacted the owner of lot C-46 where tank 1 is located and has an agreement to put relay equipment there if required. Many issues are still undefined at this time and John will work further for resolution. Robert L. Scott wants the capability of remotely monitoring tank levels.

Robert L. Scott stated he had adjusted tank levels for tank one to near capacity, tank 2 to 2/3 and tank 3 to 1/2.

Robert T. Scott made the request to Robert L. Scott to have 2007 preliminary budget input to him by September 15, 2006 for the maintenance and repair account. Robert T. Scott will fold that into the 2007 budget plan to be submitted to the Board by October 15, 2006

- 12. **Adjournment** - Richard made the motion that the meeting be adjourned and this was seconded by Donna Scott. All voted aye.

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## Attachment A

### Treasurer's Report

#### Revenue

Water sales on track, but due to additional customers over the first half and poppets should increase

PIF plan is 80 and we have 71 (one awaiting septic permit)

Power acct transfer may have some residual funds due from the POA from the 2000 refund of \$7,353.87 and the 2001 refund of \$8,827.97. These amounts will be offset at least by power consumed by the Metro from 1999 until July 2005 when the account was transferred. Other consumption than the Metro needs to be considered and the Treasurers of both organizations are working through the details.

\$28,910.23 is still outstanding on liens from 27 lots. Dilley with lots C-18, C-19 and C-20 have been paid to the POA and funds need to be transferred to the metro in the amount of \$4,171.89. Gail and Tom are working on this.

## **Expenses**

The Metro auditor contacted Bob Winters as a matter of course in the audit. His response will be seen when the audit is complete, however, it appears there will be no additional charges for litigation.

Utilities and storage have \$1,561.00 remaining in the account. We will exceed the budget amount due to increased water loss and sales.

System repairs have \$3,940.00 remaining against a \$36,000.00 budget. This account is in jeopardy of exceeding its estimated budget level.

## **Balances**

International Operating \$280,000

BOW Bond \$143,000

## **Recommended Board Actions:**

Resolve outstanding balances between the Metro and the POA including the Conservancy fund. A letter is being sent to the State to transfer responsibilities to the POA along with treasurer agreements on outstanding power account and lien issues. Future Metro liens will be handled internally.

Water losses coupled with system repairs require close management to contain within budget.

Call additional bonds due in 2018 and 2019. The date for this notice to call is December and the Treasurer should determine the quantity of the call at that time based on revenues collected. Currently there is about \$70,000 in reserves in this account. Based upon these levels at this time the Treasurer recommends a call of 7 to 10 bonds.

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## **Attachment B**

### **Expense Procedure**

Expense Approval  
Individual Expense Reimbursement

Santa Fe Trail Ranch Metropolitan District  
August 29, 2006

From time-to-time it becomes necessary for the Metro to reimburse its Board members for expenses they incur while performing Metro business. Board members cannot be suppliers of service to the Metro as set forth in C.R.S. 32-1-902, (b) as set forth below:

(b) No director shall receive compensation as an employee of the special district, other than that provided in this section, and any director shall disqualify himself or herself from voting on any issue in which the director has a conflict of interest unless the director has disclosed such conflict of interest in compliance with section 18-8-308, C.R.S. Reimbursement of actual expenses for directors shall not be considered compensation. No director receiving workers' compensation benefits awarded in the line of duty as a volunteer firefighter or pension payments to retired firefighters shall be allowed to vote on issues involving the director's disability or pension payments.

Therefore, the Board of Directors agreed in a regularly scheduled meeting August 29, 2006 that the following expense process will be followed:

**Applicable Individuals**

Any Board member in good standing with the Metro at the time the expense was incurred.

**Reimbursable Expenses**

Mileage expenses directly related to and only for the execution of assigned responsibilities by the Board. These assigned responsibilities are for system maintenance, system repair, system operation and sanitation.

Direct purchases on an emergency basis only for materials, supplies and services which otherwise cannot wait until the standard financial process is available. This is extremely important so the Metro may enjoy its tax exemption status.

Other expenses may be considered reimbursable by the Metro Board of Directors as long as they are in compliance with all Title 32 Colorado Revised Statutes and have the prior majority approval of the Board of Directors.

**Process**

Reimbursable mileage expenses as defined above shall be submitted to the Metro President for approval prior to being submitted to the Metro business office for check generation. The mileage submitted must be supported by a log of the actual miles traveled, the dates of each travel and the reason for the travel.

Reimbursable direct purchases as set forth above shall be presented to the Metro President for approval prior to being submitted for payment to the Metro business office for check generation. The expense submitted

must show the cost, proof of payment, and the reason for not utilizing the standard financial process.

Once approved by the Metro President the expenses with all of the above information along with the approval shall be presented to the Metro business office to follow the standard payment process.

Board members seeking reimbursement are encouraged to submit travel expenses on a calendar quarterly basis for the previous quarter's travels to minimize office expenses and keep expenses current.

### **Amounts**

Mileage will be reimbursed at the amount per mile as set by the United States Government Accounting Office.

### **Exclusions**

Should any Board member use any personal items such as tools, equipment or supplies they may do so at their own expense and risk to damage or consumption. Any of these types of items should follow the Metro's standard financial process to ensure optimum cost controls and management.

Agreed:

Michael R. Shelton

Richard Kinder

Donna F. Scott

Robert L. Scott

Robert T. Scott



**SFTR METRO DISTRICT  
BOARD OF DIRECTORS MEETING  
109 W. MAIN ST.  
TRINIDAD, CO.  
SPECIAL MEETING  
October 16, 2006 at 9:00AM**

Board of Directors: Mike Shelton, Robert L. Scott, Donna Scott, Robert T. Scott and Richard Kinder

*The public is invited to participate in SFTR Metro Board meetings during item # 7 on the agenda; a total of 15 minutes will be allotted for public input. Any individual wishing to be placed on the agenda as a general order of business for future meetings must give 5 days notice to the Board Secretary (name & contact info).*

## **Agenda**

1. CALL TO ORDER - Mike Shelton called the meeting to order at 9:00 am.
2. PROOF OF NOTICE - Yes.
3. INTRODUCTION AND ROLL CALL - Board members present: Mike Shelton, Donna Scott, Bob T. Scott, Rick Kinder and Bob L. Scott. Also present: Gail Thomas.
4. DETERMINATION OF A QUORUM - Yes.
5. PUBLIC HEARINGS - None.
6. SPECIAL GUEST (S) - None.
7. PUBLIC INPUT - None.
8. SECRETARY'S REPORT
  - A. Approval of the Minutes from the Previous Meeting - No report
9. TREASURER'S REPORT
  - A. Approval of Monthly Financials - No report
10. UNFINISHED BUSINESS
  - A. Appoint Officers - Due to the resignation of two officers, it is necessary to elect new Board members to those positions. Rick Kinder nominated Bob. L. Scott for President. Mike Shelton seconded. No further nominations. 3 were in favor of the nomination, 2 abstained. Bob L. Scott nominated Rick Kinder for Vice-President. Mike Shelton seconded. No further nominations. 3 were in favor of the nomination, 2 abstained. Bob L. Scott nominated Mike Shelton for

Secretary/Treasurer. Rick Kinder seconded. No further nominations. 3 were in favor of the nomination, 2 abstained. New officers for the Metro Board: Bob L. Scott, President, Rick Kinder, Vice-President and Mike Shelton Secretary/Treasurer.

B. Wireless Contract - The Board discussed the wireless contract John Sanders spoke of at the last meeting. Bob T. Scott asked that something be put into the contract holding Communication Solutions liable should damage be incurred to Metro equipment. The Board was in favor of this revision. Bob L. Scott will make the necessary changes to the contract and present to the other Board members for final approval.

C. Other - None.

#### 11. NEW BUSINESS

A. Other - None.

12. ADJOURNMENT - Bob L. Scott moved for adjournment at 9:20 am. Motion to adjourn passes.

# Minutes for December 28, 2006

## Budget Hearing and Meeting

*Board of Directors: Robert T. Scott, Donna Scott, Robert L. Scott, Rick Kinder, Mike Shelton*

1. CALL TO ORDER- Robert L. Scott called the meeting to order at 8:59AM
2. PROOF OF NOTICE- Notices were posted at the bulletin board, guard shack, fire station and court house
3. INTRODUCTION AND ROLL CALL- All were present with Robert T. and Donna via telephone
4. DETERMINATION OF A QUORUM- Yes
5. SECRETARY'S REPORT
  - A. Approval of the Minutes from the Previous Meeting- October 16th minutes: Robert T. indicated he didn't believe the wireless contract had been approved by the board. Robert L. reported that he recalled it being approved after corrections were made as discussed via e-mail communication. The contract was unanimously approved. Minutes approved. Ayes: Mike Shelton, Robert L. Scott, Rick Kinder. Abstentions: Robert T. Scott, Donna Scott. August 29th minutes: Robert T. was not in agreement with the majority about the reporting of his concerns over contractor inefficiencies and billing inaccuracies. Minutes approved. Ayes: Robert L. Scott, Mike Shelton, Rick Kinder. Nays: Robert T. Scott, Donna Scott.
6. TREASURER'S REPORT
  - A. Approval of Monthly Financials- Shelton reported that he had communication with Mr. Winter, our attorney for litigation with the contractor and bonding company, and his intent is to bill us for his work on lawsuit and settlement. No time frame was given. Monthly financial approved unanimously.
  - B. Approval 2007 budget- A new line item in the budget was discussed, system modifications, which would include replacing high pressure PVC with poly pipe, and a possible chlorination injection system. Budget was approved unanimously.
7. UNFINISHED BUSINESS
  - A. Reconstruction update. Robert L. had nothing new to report in addition to the items above.
8. NEW BUSINESS
  - A. Discussion of moratorium of maintenance fees for non-users. The idea was withdrawn as it is not economically appropriate at this time.
  - B. State sanitation requirements information. Robert T. Scott reported for the first time that he has been certified as a Small System Operator. Since the Board was unaware of this, and Robert T. has abdicated his former sanitation and testing responsibilities, Rick Kinder has started the process of becoming a Class D Operator to comply with State requests. He will take the test in January per his agreement with State authorities. The Board was made aware of the State's repeated requests by the discovery of several letters in the files returned to Century Business Services by Robert T.

Rick Kinder discovered this in October and reported to the board. Rick Kinder also reported that all bacteriological tests have passed and all testing is current.

C. A March 20, 2007 9:00AM meeting was scheduled.

9. ADJOURNMENT- Meeting was adjourned at 9:35.