

**SFTR METRO DISTRICT
BOARD OF DIRECTORS MEETING
109 W. MAIN ST.
TRINIDAD, CO.
July 9th, 2008 9:00 AM**

Special Meeting

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

1. CALL TO ORDER - Robert L. Scott called the meeting to order at 8:55am.
2. PROOF OF NOTICE - Notice was given.
3. INTRODUCTION AND ROLL CALL - Board members present: Donna Scott, Robert (Bob) T. Scott, Robert (Bob) L. Scott, Rick Kinder, and Mike Shelton. Guests present: John Sanders, Bob Ghormley and Jeanie Blasi of Century Financial Group.
4. DETERMINATION OF A QUORUM - Yes
5. SECRETARY'S REPORT
 - A. Approval of the Minutes from the Previous Meeting - Mike Shelton moved to approve the December 28, 2007 meeting minutes as discussed. Rick Kinder seconded. All were in favor. Motion passed.
6. TREASURER'S REPORT
 - A. Approval of Monthly Financials - Mike Shelton moved to approve the Budget vs. Actual as corrected. Rick Kinder seconded. All were in favor. Motion passed.
7. UNFINISHED BUSINESS
 - A. Discussion of unfinished system completion projects and estimated costs – The projected number of new PIF customers for 2008 was twenty new customers. Bob L. Scott announced that as of July 9th, there were 34 completed and pending meter pit installations/ PIF customers.

Mike Shelton reported that the total expense for the OPEC settlement was \$46,000.00. Bob T. Scott asked why a special meeting was not called so that the entire Board could discuss the expense before the settlement payment was made. Bob L. Scott stated that because the expense was included in the 2008 budget; a special meeting was not required. Bob L. went on to say that by paying the fees immediately; the Metro District received a discount of \$2,200.00. If the Metro waited to pay the expense until a special meeting was organized and held; the special discounted rate would have expired.

Mike reported that the IRS increased fuel reimbursements to \$.58 per gallon. The rate increase

was made effective July 1st, 2008 and is retroactive thru January 1st, 2008. The rate increase will most likely cause the fuel reimbursements for the District to double resulting in going over the districts budgeted amount. Mike reported that the District may also go over budget on System Repairs. Jeanie Blasi will look into a possible mathematical error under the System Operator account and re email the revised Budget vs. Actual to the Board. Budgeted funds for System Modifications has not been spent as of July, 9th. 3800 feet of problematical pipeline across lower Gallinas Canyon, starting on Fox Trail and continuing up Mountain Meadow Overlook will be replaced in the next few weeks. Mike will attempt to payoff extra bonds when the semi annual payment comes due in August.

Rick Kinder stated that there were no unusual cost related to water testing and that all expenses were for the regular tests.

The Board discussed having a special meeting in the fall to amend the 2008 budget due to the under budgeting of a few accounts. Bob L. agreed to contact the Metro's attorney to determine the procedures for conducting and giving notice of the meeting. Bob L. will email the Board with his findings.

The Board received copies of the latest SFTR meter readings. It was reported that there are still many undetected water leaks on the system as well as meter inaccuracies. Bob L. stated that he is exploring other types of meter designs that are better suited for lower water flow. The district will be purchasing a few of the new meters and testing them out in various areas of the ranch.

- B. Proposal by John Sanders for radio signal pump and tank monitoring - Special Guest, John Sanders was present to present his research on the radio signal pump and tank monitoring system. John discussed a spreadsheet which compared Timberline Electric and Control Corp. proposal totaling 62,000.00 and his proposal which totaled 16,600.00 for parts only and donating his engineering and installation time. The proposed project will installed in two phases with the first phase put in place by John Sanders and volunteers After much Board discussion; Bob L. Scott made a motion to approve the first phase of John Sanders project for \$10,000.00 and fund the project thru Phase A with emergency reserve funds until the 2008 budget has been modified to allow funding of the project under its own line item. Mike Shelton seconded the motion. Bob L. Scott, Mike Shelton and Rick Kinder were in favor. Donna and Bob T. Scott abstained from the vote. Motion passed.
- C. Update on water extension contract with city - Bob L. reported that the contract with the City of Trinidad is still being negotiated.&NBSP; A formal vote will take place at the City Council meeting held on Tuesday, July 15th at 7pm.&NBSP; If the council votes in favor or extending the contract, it will be good through 2018; however rates will most likely increase.

8. NEW BUSINESS

- A. Discussion of consumer confidence report - Rick Kinder stated that due to tardiness through the post office, he did not get the report back until June 28th. Rick said that there were no violations this year and that next year the testing will be more costly. Rick recognized Linda Vigil from the City of Trinidad for her help with the report and stated that he has been working with Jim Iuppa of Trinidad Lake Ranches POA on completing the report. Upon completion; the report will be

available for all SFTR Metro District customers at the Districts business office or by contacting Rick himself.

- B. Discussion of water loss figures - Bob L. reported that the water short fall is most likely due to inaccurate meters and leakage. Bob T. asked if a leak analysis has been preformed. Bob L. said that leak analysis is a time consuming procedure that none of the volunteers have had the time to perform. Bob L. went on to say that the replacement of the poorly installed high pressure water line across lower Gallinas canyon may stop some of the leaks... Meter inaccuracies also contribute to the shortfall and by replacing a few of them with low-flow reading meters, the deficit may decrease as well. Mike stated that the best way to detect leaks is to check both the City's meter at the same time the rest of the meters in the water system are read.
9. ADJOURNMENT - Being no further business; Bob T. Scott moved to adjourn the meeting at 10:35am. Mike Shelton seconded the motion. All were in favor. Motion passed.

**SFTR METRO DISTRICT
BOARD OF DIRECTORS MEETING
Santa Fe Trail Ranch
December 30th, 2008**

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

Meeting was called to order by Bob L. Scott at 9am.

Proof of notice was given.

Introduction and roll call – All board members present. Guests – RC Ghormley, Val Allred, John Sanders, and Kelli Tochter

Quorum was determined.

Secretary's report – Donna moved to approve the minutes, Rick 2nd. Motion passed.

Treasurer's report – Mike discussed the budget vs. actual and the amended budget. Mike talked about setting up a process of monitoring the funds. He also discussed the expenses due to the installation costs of meter pits and the increased revenue. He also mentioned the foreclosure proceedings and the increased costs of legal fees. Group discussed the categories used for bookkeeping and simplifying the accounts so they match the budget. Mike Shelton moved to accept the financials, Rick 2nd, all in favor, motion passed.

Discussion took place regarding the 2009 budget and the adding of the bad debt. Also the legal fees were discussed. Mike suggested leaving the legal fee budget at \$1,500 and adds foreclosure recovery for \$8,500 in income and \$8,500 as foreclosure expense. This item will be a wash and will not change the bottom line of the budget. The group decided not to include the bad debt category.

Bob T made a motion to make the above changes, 2nd by Mike. All in favor, motion passed.

Bob T made a motion to adopt the budget for 2009, Rick 2nd, all in favor, motion passed.

Bob T asked about the CD and wanted to know the actual percentage rate and when it matures. Mike had the CD available and discussed the possibility of putting more in the CD and/or laddering more CD's.

General discussion was brought up around the foreclosures. Mike mentioned that some of the folks may not be able to be served. Mike mentioned the foreclosure process is improving collections.

John Sanders presented on the control system installation. He presented a three sheet report and showed the latest expenses. John will also add another column to total the actual expenses. John also presented an inventory of the items purchased, the costs of those items, and how they are used. Bob L mentioned that the tank 1 system is working really well and he is looking forward to getting tank 2 and 3 online. John mentioned that there will be a PLC on each tank. The biggest delay to get to the next deadline is the options on the radios and which ones to choose. After that, licensing has to be approved for the radios. Likely that will take between 30 – 60 days. All tanks should be online sooner than 90 days. There was some discussion about the accuracy of measurements of the new system.

New Business –

Rick brought up that the fees for testing were going up.

The board discussed the lack of the cancellation of election being sent into the county office. It was established that there were no interested parties in the open board positions.

Robert L Scott made the motion and Mike 2nd to place them on as board members and the offices they hold.

Mike motioned to adjourn, all in favor