

SANTA FE TRAIL RANCH METROPOLITAN DISTRICT (SFTR)
REGULAR MEETING, MARCH 3, 2011
CENTURY FINANCIAL GROUP OFFICE
109 W MAIN
TRINIDAD, CO 81082

MEETING MINUTES

Meeting called to order by Bob L. Scott at 9:00 a.m.

Proof of Notice: was given in 3 public areas within the district and 2 public areas outside the district.

Roll Call: Board Members: Robert L. Scott (Bob), R.C. Ghormley, Jerry Withington, Rick Kinder, Mike Shelton – Guests: Lynn McCreight, Ernie Parker, John Parker, John Sanders (part of the meeting on speaker phone) and Joe Modica.

Determination of Quorum: Yes

Minutes: R.C. moved and Jerry seconded to approve the minutes from the December 17, 2010 meeting. Motion passed.

Treasures Report: Mike discussed the Budget vs. Actual report. Lynn clarified two figures. Mike then discussed the Balance Sheet and Profit and Loss reports. Mike expressed the need to spread out larger purchases for cash flow purposes. Lynn went thru the delinquent list, explaining each owner's situation. Lynn stated that Tim Dixon (auditor) is almost finished with the audit. The board has signed the letter of intent. The board requested that Lynn put a statement on the next billing, reminding owners that the Metro now takes credit card and ACH payments.

SCADA: John Sanders was called to be on speakerphone. R.C. discussed the status of the SCADA project. John and R.C. have been working together to get all equipment installed, including radios. They are testing the equipment to monitor water levels in tanks 2, and 3, in addition to tank 1, which has been on line for some time.. They are also testing the power currently used at tank 2 to make sure it is sufficient for continuous monitoring. Alternative power sources were discussed. Bob got an estimate from San Isabel for extending the power lines to tank 2 of \$10,850.00. Solar

panels would cost approximately \$2000.00. Our current power feed from Tall Oaks appears sufficient for now, and perhaps in the future, the cost of extending power to tank 2 will be shared with lots H1 and H2. R.C. and John will be ordering critical SCADA system spares. The cost will be about \$10,000, and the ordering will be spread out for minimal affect to cash flow. Lynn will endeavor to open accounts with those suppliers.

System Disinfection: Rick discussed the chlorine levels in the system and how he is maintaining the correct levels. The tester he is currently using needs to be replaced. He will be ordering a new more accurate tester today. It will be around \$500.00. R.C. and John Noard have been helping him out with the testing. Next time he takes a sample to Pueblo, he will get more Chlorine.

System Upgrades/Frozen Line Repairs: Discussion intermingled. It was decided that the 5 kupfurles that have been left open to prevent water lines from freezing could now be shut off. The below zero cold spell a couple weeks ago, caused several lines to freeze. The lines that are freezing need to be dug up, fixed and buried deeper to prevent future freezing. One line has been fixed. It is a costly fix due to the rocky nature of the ground. The roads that have freezing problems so far are; Squirrel lane, Elk Ridge Trail, Mountain Meadow, North Alpine Meadow, West Fisher Peak, Coyote Track Trail, Wildwood and Aspen Court. R.C. presented a graph comparing the mean temperatures from last winter and this year. Discussion of the cause and effect followed. From experience the best way to find and fix a frozen line is to wait until it freezes. Depth is a major factor, but shading also has to be considered. Beginning in the fall of this year, the Metro will begin to fix the lines that are freezing. The priority will be determined by the number of residences using the line and the length of the line. For the lines that are not getting fixed right away, either the kupferles will be opened or the metro will pay to have water hauled by their contractor from ranch sources to the owner's cistern. Discussion followed. Bob made a motion and Mike seconded the motion, that if an owner cannot get water due to a frozen line, the Metro will do one of two things: 1) Metro will pay someone of their choice to haul water from the Metro water system, from the most convenient location on the ranch, to the owner at a reasonable cost to the Metro. The owner is still responsible for paying the quarterly maintenance fees normally charged and pay for all the water hauled to their cistern after the line froze at the normal per gallon rate. This charge will show on their bill as a miscellaneous charge. 2) After a line is frozen, owners on that line can haul

their own water from the Metro water system. From the date the owner runs out of water to the date water is restored, the Metro will credit the maintenance fee at the rate of \$.96/day on the next billing. The water hauled will not be billed. Discussion followed. Motion passed.

Old Business:

State Sanitary Survey: Bob responded with a letter to the State stating that all suggestions and deficiencies resulting from the Dec 27, 2010 Sanitary Survey, have been addressed and cured.

Fire Hydrants: Bob checked the cost of installing fire hydrants on the ranch at an owner's request. The owner or owners would be responsible for the costs. The hydrant runs around \$1800.00, the miscellaneous parts run around \$ 700.00, and labor would run around \$800.00. The total cost would be approximately \$ 3300.00. If the Metro added a profit of 20%, the cost would be approximately \$3960.00, but subject to adjustment. Discussion followed on the existing 8 fire hydrants on the ranch and current owners requesting a fire hydrant.

Bob made a motion and Jerry seconded the motion, stating if any resident or group of residents request a fire hydrant be installed, the Metro would install the hydrant at a location closest to the owner(s) location, to be determined by the Metro after analyzing the system capabilities. The entire cost would be the responsibility of the owner(s). The involved owners would have no control or personal use of the hydrant.

The next meeting will be Thursday, June 2, 2011.

Jerry moved and Mike seconded to adjourn the meeting at 10:30, motion passed.

SANTA FE TRAIL RANCH METROPOLITAN DISTRICT (SFTR)
REGULAR MEETING, JUNE 2, 2011
CENTURY FINANCIAL GROUP OFFICE
109 W MAIN
TRINIDAD, CO 81082

MEETING MINUTES

Meeting called to order by Bob L. Scott at 9:00 a.m.

Proof of Notice: was given in 3 public areas within the district and 2 public areas outside the district.

Roll Call: Board Members: Robert L. Scott (Bob), R.C. Ghormley, Jerry Withington, Rick Kinder, -Guests: Lynn McCreight

Determination of Quorum: Yes

Minutes: Jerry moved and RC seconded to approve the minutes from the March 3, 2011 meeting. Motion passed.

Treasures Report: Lynn discussed the Balance Sheet. The Metro cashed in one CD and renewed the second CD for 15 months at a rate of 1.05%. The Bond monies collected since the last bond payment is \$75008.61. Excluding the CD, the spend-able money is \$62411.52. Lynn presented the Profit and Loss, Cash Flow, budget vs. actual, delinquent list and A/R Aging. The San Isabel bill went down as well as the water bill, assumed due to fixing the water leak.

System Disinfection: Rick was using more chlorine but since the leak was recently fixed, he is using less. Next month he has to do a lead and copper test and take it to Alamosa. The Consumer Confidence Report went out.

SCADA :RC Ghormley presented the following report:

Scada report for the Metro board, June 2, 2011 by RC Ghormley. Updated 6/5/11 by RCG

The radio at T2 is still alive and well after a couple of months of operation, so the power there will probably be adequate. It's been responding to random diagnostic polls just fine. At the moment, since we're not polling the radio regularly, it's in receive mode until polled. Once we begin monitoring the water level in T2, it will be transmitting more

frequently and using more power. For a guess, it will probably work OK. If not, then we'll see about only polling it hourly.

Spares: 10K was authorized at the last meeting. So far, 2K has been spent on radios which are in hand now. Quotes were requested for another 5K worth of other hardware, which will be ordered in the next few days. Another 1K of misc. parts will be ordered over the next few weeks, which should cover the last of the spares expenses.

Current status: radio/UPS/antenna installations are complete at T1, T2, T3, and P6. All the radios can communicate with the master radio at T1. Pressure sensors are installed at T1, T2, and T3.

Plans: John is currently working on getting the Red Lion controller to communicate with multiple radios (bench testing). When he solves that, we will program and install a PLC at T3 and then should be able to add T3's level to the on-line display. When the bugs are worked out at T3, we'll do the same with T2. Next up is monitoring the status of P6, and making that available as part of the on-line display. Once that's bug-free, we'll add in monitoring P1's status. Then we'll start to control P6 via radio command from T1 as determined by the Red Lion controller. Then finally, we'll control P1 and the inlet valve via radio link. We chose to do P6 first because of ease of access for troubleshooting.

A question for later: do we want to monitor P2-4? Do we want to control P2-4 remotely? The system will be able to do both with not much additional difficulty. Is there enough added value to having that capability? Discussion encouraged.

Discussion followed. Bob asked if it is possible to have Red Lion program a controller. Discussion followed. The answer to that question will be researched.

System Upgrades: RC presented the following Voice Radio System Plan Draft as of 5/31/11, updated 6/4/11, by RCG --- I did a bit of testing again after the meeting and updated the coverage info.

Estimated costs for a Metro voice radio communications system, as of 5/31/11, by RCG.

License \$350 (a modification to our SCADA license)

Repeater \$2100 (\$1500??)

Repeater power supply plus spare \$400

Batteries for backup power (3 ea 12v Optima) \$500 plus \$100 charger

Duplexer (smaller mobile duplexer) \$250

Ground wire/rod, coax, polyphaser lightning protection \$300

Option 1: modest antenna and mast \$100 for antenna, \$200 for mast

Option 2: good antenna DB223 \$500 and tower 20 ft of Rohn 45 \$600

Total for repeater installation: \$4500 (minimal) to \$5500 (better antenna).

System: laptop for programming repeater and mobile/handheld units \$800. Doubles as a second SCADA programming unit.

Each handheld \$250 including spare battery and charger

Each mobile vehicle radio: \$300

Mobile vehicle installation \$100 inc antenna and misc. fuse holder, wire, bracket

Each Base station: \$300 for radio (same as mobile radio), \$200 for power supply, \$30 for mobile antenna on desk or in attic. External antenna is \$100 plus \$50 for coax/connectors. Mast is user-supplied.

Total for repeater site, programming computer, 6 handheld radios, and 6 mobile radios (all 5 board members plus Sanders): $\$350 + 4500 + 800 + 1500 + 2300 = \$9.5K$ Add another 1K for misc. hardware and contingencies and we should be able to have a modest system for a little over 10K. Add 1K for a better antenna if needed.

Anticipated performance: With a repeater at Jerry's place, we will have nearly 100% coverage of all SFTR roads (mobile unit-to-mobile unit) through the repeater. Mobile-to-mobile simplex (direct, not through the repeater) will be better than line-of-sight, but probably won't work from canyon-bottom to canyon-bottom. Handheld radios should work through the repeater on 95% of SFTR roads. Worst place is along Vista West between Cedar Way and Little Bear, but a mobile should be able to work the repeater OK (scratchy, but OK), even along there. Handhelds won't work along that stretch. Mobile radios should work through the repeater from most of Trinidad except maybe far east main street. Handhelds will work in some town locations (50%??). Using the test repeater currently installed at Jerry's place, Mary and I can test any location with both mobile and handheld units if there are specific concerns or questions.

Why do we need such a system? From a Metro perspective, this system would be useful to support work on the water and SCADA system: leak checks/fixes, coordination, talking to contractor and SCADA installation, testing and maintenance. Some places on the ranch don't have good cell coverage, and sometimes we need to coordinate among several people simultaneously. John and I have been using our amateur radios for communications while installing, testing, and maintaining SCADA components. We'll continue to need some sort of communications capability in the foreseeable future. Using amateur radios is only permissible because neither of us are paid, but we have to provide our own radios for this at the moment. Others working on the system can't communicate with us as we now operate.

From a POA perspective, tracking snow plowing operations in the winter is probably the greatest need. Grader progress could be followed and redirection effected as needed.

Schedule: Licensing will take a month. Repeater installation preps will take a few weeks. Equipment delivery will probably take several weeks. Programming radios will take a week or so. I would guess we could have IOC (Initial Operational Capability) within 3 months of a go-ahead decision.

A note: getting this system up and running should only require an hour or two of Sander's time for advice and guidance. I don't anticipate it will take away from any of his SCADA efforts.

Discussion followed. RC moved to proceed with the Voice Radio System Plan in support of SCADA testing and maintenance. Rick seconded. Motion passed. The first thing is applying for the license, then installing a repeater and testing the mobile and hand held radios.

Leak Location: The Ultrasonic Flow Detector was tested and proven. The decision was made to keep this Detector.

Discussion followed on locations that froze last year and need fixed. Aspen Court and Elk Ridge are two locations discussed. The cost to fix vs. paying someone to haul water to the owners that did not have water is the factor. Bleeding the lines thru the kupferles was discussed and how to keep them from freezing using some sort of insulation and using a hose to divert the water away from the kupferles. Elk Ridge Trail seems to be the first to freeze each year and affects the most taps in use. We will fix that line first by letting it freeze this winter so we can pinpoint the location where the fix is needed. We'll follow the same process we used on Alpine Meadows (south) last winter. On that line and others, we will provide water to affected users in the same manner we did last year. It was also mentioned it could be possible to lower the water level in the tanks to increase the temperature of the water before it goes thru the lines.

New Business: Bob presented the Meter Pit Modification Request. Discussion followed. Bob moved to adopt the form as written to use if applicable. Rick seconded. Motion passed.

The next meeting will be Thursday, September 1, 2011.

Jerry moved and Bob seconded to adjourn the meeting at 10:15, motion passed.

SANTA FE TRAIL RANCH METROPOLITAN DISTRICT (SFTR)
REGULAR MEETING, SEPTEMBER 28, 2011
CENTURY FINANCIAL GROUP OFFICE
109 W MAIN
TRINIDAD, CO 81082

MEETING MINUTES

Meeting called to order by Bob L. Scott at 9:00 a.m.

Proof of Notice: was given in 3 public areas within the district and 2 public areas outside the district.

Roll Call: Board Members: Robert L. Scott (Bob), R.C. Ghormley, Mike Shelton - Guests: Lynn McCreight, John Parker, Ernest Parker, Linda Austin and Chuck Austin

Determination of Quorum: Yes

Minutes: Mike moved and RC seconded to approve the minutes from the June 2, 2011 meeting. Motion passed.

Treasures Report: Mike discussed the Financials. Repairs and maintenance is significantly down from last year. Accounting and Auditing are on target. Bond Principal paid was up due to several owners paying off the bond this year. We cashed in a CD which is why we have excess cash available. We have an open credit at Pumps and More from a defective pump returned under warranty. The collection letters sent by Malone were successful, 3 paid in full, 1 signed contract to pay by the end of May, 2012 and one is delayed due to some possible legal issues. Per C.R.S. 32-1-1001(1) (j) All unpaid fees, rates, tolls, penalties and charges constitute a perpetual lien against the property served. Such lien is entitled to priority over other encumbrances such as prior recorded deeds of trust (but not tax liens). See notes below.

Notes to financials:

Budget vs. Actual – I will have to amend the budget with the state by the end of December.

Bond income is over budget: In 2011 we have had \$29450.46 in bond payoffs. I also have quoted another \$ 6115.26.

This is why the credit card fees are higher, most payoffs paid with a credit card. Also, we paid more than expected on the bond.

The water tap fees are off because we raised the rates by 250.00 per after the budget was sent in. We had 4 taps totaling the \$1000.00 difference.

The city tap fees do not match up to the collected tap fees because Morello paid the tap fee but is not ready to install the tap.

We have \$ 26472.13 in collected bond money since we calculated and paid the bond in August.

System Disinfection: Rick is not present for an update.

SCADA :RC Ghormley presented the following report:

SCADA progress report for Metro Board mtg. 9/28/11, by RC Ghormley and John Sanders

1. SCADA components have been installed at P1. No other nodes are planned at present, although P4 could be added if it turns out this is desired, as well as P2 and P3 (additional components would need to be ordered for these installations). The radio link between P1 and T1 has been verified and works fine with plenty of link margin (it will work OK for us). P1 responds to pings from my house, so remote troubleshooting is feasible (currently, all sites can be pinged from my house).
2. The P1 installation essentially completes the majority of the SCADA installation work. Remaining are a few component installations to complete the work at each site, but that only consists of a few hours work at each site to mount the PLCs (once they are programmed) and some solid state relays on the DIN rails, plus a small bit of signal wiring.
3. Where we stand on installations: P1, P6, T1, T2, and T3 are complete and ready to provide information when the Red Lion/radio/PLC issue is resolved.
4. Bob and Jerry installed a flow switch in the output of the pump at P6. The switch drives a relay (same as all the other relays used). The contacts on the relay drive a) a light on the side of the box; and b) the PLC at P6 which will tell us if the pump is moving water. Some PLC programming may be needed to overcome the intermittent nature of the relay output.
5. Most spares that were approved (at the Metro mtg. before last) have been ordered, with only a few hundred dollars worth still needing to be ordered (Polyphaser lightning arrestors).
6. RC has the second Metro laptop set up (with a personal backup laptop in place)

and running, currently able to program the Red Lion with John's program. The software to program the MDS radios is not compatible with the Windows 7 operating system on RC's Metro computer, so he's using his personal laptop to do so until GE updates their software.

7. Red Lion/radio/PLC issue: The major hang-up at present is making all these components work together on a bench (simulation of the actual field installation). More phone calls to tech support have not resulted in the hoped-for breakthrough. John has a mockup of the SCADA system set up on his bench, and RC only lacks two cables to complete his mock-up. RC's copy of the software to program the PLCs will arrive approx. Sep 30.

Since we've experienced some difficulty in making the bench-top mock-up system work, the proposal is for RC/John to locate a consultant (likely in Denver or ABQ) who can resolve the issues. RC will pack his components up and drive to the consultant's location, then set the system up on a bench and work with the consultant to fix whatever problems remain. This will minimize the consultant's time and will allow us to then field the working system, or at least advance to the next impediment. If we find the right consultant, this should not take more than a day or two. Once we find a willing and capable consultant and get a cost, John/RC will assess our current status, and ask the Board for approval to proceed if that still makes sense.

After discussion, R.C. made a motion, Bob seconded, to allow R.C. and John to find a qualified consultant who can resolve the Red Lion/radio/PLC issues of all the components working together. A limit of \$5000.00 will be spent. Motion passed.

System Upgrades: Nothing New

Old Business: The SFTR Metro will pay the Garretts \$20.00/month (yearly) for the use of the electricity in the storage unit on Cottonwood.

R.C. presented the following report on the Voice Radio System:

Metro voice radio communications system progress report, 9/23/11, by RC

1. The FCC approved our frequency request on 9/15/11. The license is a modification to the SCADA license, and expires in 2020. It authorizes all our SCADA sites, the voice repeater, and 100 mobile/handheld/base station units (antenna height 20 ft or less).
2. The license allows operations within 40km of Jerry's place. That includes all of Trinidad (probably won't work well from the east side of town), N to Aguilar, W to Stonewall, and S past Raton. The repeater won't cover much south of Raton Pass.
3. The repeater has been purchased and is on hand.

4. The duplexer (necessary for proper repeater operation) has been ordered and RC will install it in the repeater case when it arrives.
5. The repeater will then be installed at Jerry's with a temporary antenna. Using that antenna, coverage on the ranch will be checked to determine what's needed for a final antenna configuration.
6. RC's Metro laptop has been received and is working well for both SCADA and the voice system, with some minor SCADA issues.
7. The earlier estimates on initial voice system cost are still reasonable (\$10-11K).
8. Six hand-held radios (Icom 3021) and six mobile radios (Icom 5021) are on order. The mobiles may be used either in a vehicle or as a base station. These will all be programmable using the Metro laptops. Two additional hand-held radios will be ordered later for maintenance, testing, and troubleshooting.
9. Schedule: Licensing took about 10 weeks longer than I thought. We should be up and running sometime in November.

Questions:

Do we want battery backup power for the repeater? Or does Jerry have backup power?

Can we pay Jerry for electrical power?

Discussion followed. R.C. will monitor the electricity used at Jerry's. It was decided to proceed with a battery backup system. The cost is within the existing budget. The possibility of a generator was also discussed.

New Business:

Budget person appointment: Bob moved, R.C. seconded, to appoint Lynn as the Budget person.

After discussion of the preliminary 2012 budget, the attached budget will be presented at the budget hearing December 1st, 2011 with possible changes to the income items after review toward the end of 2011.

J Lot Inclusion: Bob stated that the owners of lot J2 have approached the Metro Board about the cost of being included in the water system. That is a possibility if they are willing to pay all the appropriate back fees associated with being part of the water system, and the cost of connection.

There are two possible options for making the connection. The least expensive would be to tap into the main supply line which runs through their property. That scenario would require State review and approval, since it is prior to the point we monitor and disinfect water. Bob has contacted the state, requesting an opinion. If the State does not allow the connection at that point, the line will have to connect approximately ½ mile west and up. The cost of such line would be paid by the Phillips (in addition to back fees). Once Bob hears back from the State, he will inform the board and the owners of lot J2 of their ruling.

Designated Election Official: Mike moved, R.C. seconded to appoint Lynn D. McCreight as the designated election official. Motion passed. The appointment was signed as well as the Oath. Lynn will clarify existing Board member term limits.

Other: Linda Austin stated that when the road by their property was dug up for line repairs, it was not properly fixed, leaving a hole(s). Will the road be fixed before winter? John Parker (on the road committee), confirmed her Lot # and she was assured it would be fixed before winter.

Discussion followed in regards to provisions that will be made to owners if their water lines freeze. The options will be for the affected owner to either haul their own water, which will be supplied free of charge by the Metro, and to have their maintenance fee waived during the period they no longer have service, or the Metro will haul their water, charge for the water used, and continue to levy the maintenance charge.

Mike moved, R.C. seconded, to adjourn the meeting at 10:22.

Attached preliminary 2012 Budget:

Santa Fe Trail Ranch Metropolitan District
Preliminary Budget for 2012

	2012 Budget	Actual	Difference
Beginning fund balance	198,395.69	0.00	
Water sales	42,074.64	0.00	42,074.64
Plant Investment Fees	26,280.00		
Maintenance Fees	65,667.00	0.00	65,667.00

Colo Conservation	745.00	0.00	745.00
Bond Assessments	154,634.00	0.00	154,634.00
Finance Charges- All	1,012.00	0.00	1,012.00
Other- Misc. Income			
TOTAL INCOME	# 290,412.64	0.00	290,412.64
Bank Fees	1,950.00	0.00	1,950.00
Legal Fees	1,500.00	0.00	1,500.00
Accounting & Audit	43,280.00	0.00	43,280.00
CPA Costs	3,300.00	0.00	3,300.00
Co. Conservation - Weed control	745.00		
Utilities - Water and Electric	50,000.00	0.00	50,000.00
Fuel Reimbursements	6,360.00	0.00	6,360.00
Insurance	2,340.00		
System Repairs/ Labor & Sanitation	80,000.00	0.00	80,000.00
Bond Principle	116,447.00	0.00	116,447.00
Interest Payments	38,553.00		
Meter Installations Fee	2,000.00		
Metro Meter Costs	4,400.00	0.00	4,400.00
City Tap Fees	20,600.00	0.00	20,600.00
System Expansion	13,450.00	0.00	13,450.00
TOTAL EXPENSES	384,925.00	0.00	384,925.00
Capital Reserves	15,000.00	0.00	15,000.00
LOC Reserves			
Ending fund balance	# 118,883.33	0.00	

SANTA FE TRAIL RANCH METROPOLITAN DISTRICT (SFTR)
BUDGET HEARING - DECEMBER 1, 2011
CENTURY FINANCIAL GROUP OFFICE
109 W MAIN
TRINIDAD, CO 81082

MEETING MINUTES

Meeting called to order by Bob L. Scott at 9:00 a.m.

Proof of Notice: was given in 3 public areas within the district and 2 public areas outside the district.

Roll Call: Board Members: Robert L. Scott (Bob), R.C. Ghormley, Mike Shelton, Jerry Withington, and Rick Kinder - Guests: Lynn McCreight, John Noard and Nancy Allred

Determination of Quorum: Yes

Minutes: Mike moved and RC seconded to approve the minutes from the September 28, 2011 meeting. Motion passed.

After some discussion, Bob moved to add Appendix A to the May 5, 2010 minutes. Rick seconded the motion. Motion passed. The contents of the Appendix were discussed in the May 5, 2010 meeting.

2012 Budget: Mike stated that from the preliminary 2012 Budget discussed in the September 28th, 2011 meeting, Lynn raised the Maintenance income number due to 3 pending meter application she has in hand and the estimated 3 or 4 during the 2012 year. Lynn also lowered the estimated Bond Assessment income due to the high number of bond payoffs in 2011. Other items such as Repairs and System expansion were estimated close to the 2011 budget. RC asked for the definition of PIF Plant Investment Fees. It was explained those are the payments to the City of Trinidad for the taps. It supposedly represents the City investment required to service additional users. Bob made a motion to approve the proposed 2012 Budget as presented. Jerry seconded. Motion passed.

Treasures Report: Mike discussed the Financials. It was clarified that the principal portion of the Bond payments goes against the Bond Liability on the Balance Sheet vs. the Profit and Loss. On the Budget vs. Actual, the water sales are over budgeted presumed due to a calculation error. Mike and Lynn double checked 2010 and 2011 numbers to verify validity. Discussion followed. The Balance Sheet, Profit and Loss, Cash flow were discussed. The Delinquent list was discussed. Bob would like to see a Profit and Loss that excludes the bond numbers. Bond numbers are “pass thru” numbers that distort the true bottom line. Bob would also like to see the 2012 numbers in the cash flow. Lynn will add them in and email them now that the 2012 numbers have been approved. Nancy questioned why the fund balance was off from the Balance Sheet and also stated the budget vs. actual needs to be more “laymen” friendly. Lynn will have to amend the 2011 budget with the state by the end of December.

SCADA: RC Ghormley presented the following report:

The long-awaited completion of the remote monitoring system is up and running. We are now monitoring all tank levels and pump activity (P1, P5, and P6) real-time on the web screens. Several screens are available to help interpret what's happening at any given time. No need for the consultant that was authorized at the last Board meeting. John Sanders has put in several focused weeks to get us to this point. Good job, John.

The web display is still in flux, but the essentials are there as of last night. Each time an update to the software is uploaded; the trace erases and starts again. Have patience with the restarts while we get it tweaked up to meet everyone's desires.

Once everything is stable and has been running for a week or two, we need to calibrate the tank levels to match the trace indications. They're probably off by no more than a foot or two at present.

Next step after that is to cautiously begin to control pump activity with the SCADA system.

As a curiosity, note that the nominal water level drop over time in T1 is far less than the drop in T2 and T3.

Future plans: pumps 2, 3, 4 -- do we need to monitor them with the SCADA system? Maybe just P3 for now? [Board decision 12/1/11: do not monitor P2-4 at this time].

Issue: Temperature sensitivity of PLCs. We will likely spend some bucks for experimenting (\$2K???) to address this issue. May turn out to be not much of an issue. Evaluation continues.

Issue: ComSolWireless antennas on the tower at T1. The SCADA/Communications Committee (RC and John) needs to be consulted by ComSolWireless before any additional equipment or antennas are added at T1 and the tower.

It was confirmed that the tank levels are right on with the computer levels. Purchasing temperature sensors was discussed or 8 new PLC's at a cost of approximately \$600 ea.. Using the SCADA system at pumps 2, 3 and 4 was discussed. It was decided after the discussion that it was not necessary at this time as long as the buried wiring was still reliable. It would cost \$2000 - \$2500/pump to activate.

Voice Radio System: RC presented the following report.

The voice radio system is up and running on an IOC basis (Initial Operational Capability). The budget estimate of 5/31/11 was \$10K to \$11K depending on antenna needed. Nearly all the equipment has been purchased except for some odds and ends, and the system will be completed for right at the estimated \$11K amount including the better antenna.

Backup power will be connected after the SCADA system work has diminished.

All board members plus Sanders have a handheld. Bob, RC, and John have mobile units. Three mobile units (or base stations) are still available. Our objective in distributing radios should be to develop the capability we need to effectively support our daily operations.

Repeater coverage hasn't been tested extensively yet, but it appears that some areas would be better served with a more efficient antenna than the temporary one in use now. For example, at P1 a handheld is a bit noisy and drops out occasionally. I believe we'd like communication from that area to be more solid.

A better antenna at Jerry's place should make a noticeable improvement. I will pursue getting an industry-standard DB224 antenna for about \$800 including shipping. This can be mounted on a pole fairly simply and avoid the cost of a tower since it would be secured to the side of Jerry's shed.

As the system evolves, expect improvements in how user radios are programmed and used (buttons, channel names, etc). Both Sanders and RC will have the capability to program the repeater and all user radios via the Metro laptops we currently have.

Discussion followed: Mobiles in vehicles can only be heard when you are in the vehicle. Hand-helds work well. Bob suggested putting a mobile unit in his Ford which is used for maintenance. The POA has ordered 3 radios for road committee use. The Garretts (who maintain the roads) will possibly purchase a mobile unit for their truck.

RC will be reprogramming all the radios. It has been established that any radio user cannot use the Metro radio system for personal use. Robert Nelson (contractor doing repairs on the water system) will be loaned a radio if he is working with Metro personnel and needs to be in contact with that person. RC and John will be conducting tests with the radios.

RC motioned for the Board to allow RC and John to install communications equipment at any of the Metro sites to support Metro/POA activities or emergency communications. Such equipment would be used on a non-interference basis with Metro activities. Motion seconded. The motion passed (RC recused himself from the vote).

System Upgrades: It was discussed to possibly replace the gasketed river crossings-the decision was made to leave them alone until a problem arises.

Replacing pump 4 with a 70 gpm pump was discussed to eliminate the frequent cycling at pumps 1-3 . It could save us from replacing other pumps sooner than necessary. Bob will replace the pump and order a spare.

Bob purchased a diffuser that will read the GPM flow (pressure and volume). This allows the correct amount of water to be flushed during dead end line maintenance.

Old Business:

Regarding the request for a connection to the water system at lot J2: After discussion, the board decided that, because of the State requirement that there be detectable residual chlorine at any given point of connection, the only alternative is to offer a connection from the line on Oak Park above the J2 property. The last sentence in one of the State's emails says,

" As far as I can tell, it appears that it is up to SFTR Metro District to decide whether to allow this connection and where, as long as appropriate cross-

connection control and water pressure are provided and there is a detectable chlorine residual at the service connection."

The issue is that there is no practical means for the Metro to test and chlorinate water prior to Tank one, thus we can't guarantee a detectable chlorine residual at that point. The other area of concern is the possibility, however remote, of cross-connection contamination of the entire system, since this is our main and only transmission line. At this time, we see no way we can satisfy the State requirements.

Metro policy regarding frozen lines was discussed. The board affirmed there is no change to our policy, which is stated as follows:

The Metro's policy now is to continue to supply users with water even if their line is frozen. We are offering those users the option of hauling their own water or alternatively, the Metro will keep water in their cistern for them. With the first option, a user could haul the water themselves, or make arrangements to have someone of their choosing haul water for them and pay that hauler to do so. That user's monthly maintenance fees would be suspended while the line is frozen, and the water would be supplied from a Metro source at no cost. With the second option, the costs will be transparent to the user. The user would continue to pay the monthly maintenance fee and pay for all water used at the prevailing rate, but the Metro would make arrangements for someone to haul the water and would pay the hauler for doing so.

New Business:

There will be a fee increase for testing beginning in January. The fee will be \$20.00. All fees could be raised. Rick will share the new 2012 testing schedule when he receives it.

The first two meeting dates in 2012 will be Tuesday, March 6th and Wednesday, May 9th. The remaining two dates will be determined after elections.

Bob adjourned the meeting at 10:55.

APPENDIX A

AMOUNT REFUNDABLE TO DISTRICT CUSTOMERS/OWNERS

1. EXCERPT FROM METRO MEETING 30 DEC 02

Jim Davis also mentioned that under this resolution, they would assess an equal fee for each 35-acre lot to pay the cost to complete the water system. It does not address the return of those funds, which the **Metro District will reimburse to each property owner, from the proceeds of any successful litigation.** They will give the bank a copy of this resolution as part of the closing process of a completion loan.

2. EXCERPT FROM WATER SYSTEM STATUS REPORT 27 JAN 03

Contractor’s leak testing and repair estimate	\$347,000
Sanitizing, bacteria testing, and certification	15,000
Water for leak testing and sanitization	5,900
10 percent contingency allowance	36,790
Legal fees	69,500
Making 2 above ground pumps submersible	11,000
3 pump rebuilds @ \$1,500 each	4,500
Engineering consultation (current and on-going)	12,000
Administrative fees	1,800
Initial tank inventory for customers	1,370
Parts storage	500
TOTAL	\$505,360

To secure the pay back for the Bank and the DOLA loans, the Metro District Board passed a resolution at its December 30 Budget Meeting to assess a Water System Completion Fee on each 35 acre property in the District. The fee will be determined by the final amount that we must borrow. We anticipate that we will **prevail in our lawsuits, in which case all or a large majority of the fees paid will be reimbursed to the** property owners. Our attorney expects the trial to begin this summer.

3. EXCERPT FROM JOINT POA AND METRO MEETING 21 JULY 03

at all times. **In the event of successful litigation the recovered funds would first pay the loan balance with the remainder then distributed ratably** to property holders. The law suit asked for \$430,000 in view of the fact that, at the time of filing, legal fees could not be included. The Court after reviewing testimony may determine otherwise.

The estimated completion costs were never considered as being excessive and allowing for a possible refund upon system completion. Every penny was required and the estimate will eventually prove to be low. Thus, the only funds which were ever considered as eligible for return were the proceeds of a successful lawsuit.

The actual numbers to date are shown below;|

\$550,000.....Estimate to complete system (and loan amount)
\$356,250.....Total amount drawn against loan, with interest
\$193,750.....Amount still needed to complete system

\$255,000.....Amount of settlement from XL Surety
\$ 42,000.....Legal fees
\$203,000.....Net from lawsuit
\$193,750.....Completion money not drawn from bank loan
\$ 9,250.....Balance remaining from lawsuit proceeds and refundable to customers per commitments recorded in minutes listed above.
\$ 13.76.....Amount remaining refundable per lot

Reviewing the System Completion Tasks Remaining, which are attached to this report will give the reader an idea of the expenses still faced by the Metro in order to have a compliant and safe water supply system.

The question of refunds to customers/owners becomes somewhat academic when tempered with the reality of past promises and future challenges.

Bob Scott
28 Feb 10