

**SANTA FE TRAIL RANCH METROPOLITAN DISTRICT
MEETING ON DECEMBER 28, 2009
CENTURY FINANCIAL GROUP OFFICES
109 W MAIN
TRINIDAD, CO 81082**

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: Mike Shelton, Robert L. Scott, Rick Kinder, Robert T. Scott, Donna Scott: Guests: RC Ghormley, Dave Grove, Lynn D. McCreight, John Sanders, Marc Brandon, Jerry Withington, Norma Sue Downs, Frances Purswell-Montoya, Tom Stephens, W.D. Phillips, Rudolfo Reveles

Determination of a Quorum – A quorum was established

Secretary Report: Discussion of the August 3, 2009 minutes – Corrections were made – Rick Kinder moved to approve the August 3, 2009 minutes as corrected – Mike Shelton seconded – motion carries.

Discussion of the November 16th, 2009 Special Meeting minutes – Corrections were made – Mike Shelton moved to approve the November 16th, 2009 minutes as corrected – Donna Scott 2nd – motion carries.

Treasures Report: Mike Shelton discussed the financials, including the Balance Sheet, Profit and Loss and Budget vs. Actual. Mike pointed out that Lynn D. McCreight brought to his attention that the SCADA costs will be moved to fixed assets, per the auditor to be depreciated. Further discussion on the CPA costs (for auditing) on the Budget vs. Actual was included in the Accounting and Auditing and on the Profit and Loss they were split out.

Robert T. Scott suggested that the District pay back the owners a portion of the 7 year completion loan proceeds, stemming from promises made to the owners at the loan's origination. Significant discussion took place on the subject. Robert L. Scott made the point that there is no way of knowing what amount is remaining of the completion monies, since they nor the XL Surety settlement monies were set up as separate accounts. There is also, in his opinion, much work remaining before the OPEC related repairs are behind us. He also stated that the Board has a responsibility to provide safe drinking water to the Ranch, as well

as a fiduciary responsibility to assure that the funds are available to do so and that an arbitrary refund would be poor stewardship.

Mike Shelton stated the cash flow forecast shows our reserves depleting over the next few years.

RC Ghormley announced the arrival of John Sanders and asked if he could present the SCADA report while John was present to answer questions.

Reporting on the SCADA system. [SCADA stands for Supervisory Control and Data Acquisition, it's a term used to describe how equipment is controlled remotely; usually the term is associated with utility applications]

Next physical activity is to temporarily link Tank 3 with Tank 1 via radios to demonstrate a successful radio link and to provide proof of concept of the general approach we are taking to implement our SCADA system. Hope to have this done by the end of January.

Next administrative action (done in parallel with the above) is to do all the actions required to get an FCC license for the SCADA system and for mobile radios that will be used to help troubleshoot the SCADA installation, and to maintain the water system. Hope to have the frequency assigned by mid-February.

Once the frequency is approved, the initial set of radios can be ordered. Once these are received, the next phase can be implemented, which will give us the ability to monitor T1, T2 and T3 levels remotely. Mid-March is the target date.

RC glossed over many details that need to happen to support the above -- this is only a brief summary of the next several steps in the process.

Continued discussion on refunding the owners. A possible solution was suggested to put a cap on the monies and when that cap is reached, then refund some of the monies. Sue Downs said she did not want any money back to possibly prevent future assessments by the district. Further discussion was tabled to future meetings to conduct more research on future expenses relating to repairs, etc. and analysis of the cash flow.

Lynn D. McCreight will provide a copy of the updated cash flow to all board members.

Mike talked about the A/R Aging and instructed board members to make an appointment with Lynn D. McCreight to discuss the aging and informed the general public that details on the aging were private but TOTALS and procedures could be discussed with Lynn.

Mike announced he would check into CD rates with the local banks toward the end of January, 2010. The district's CD is maturing January 28, 2010. He will share his findings via email for a board decision on the best deal.

Mike announced that owners will be reading their own meters on a quarterly basis. The board will read them in June for the yearly board reading. Discussion followed.

UNFINISHED BUSINESS:

System Operator Report: Rick Kinder stated the system is up and running after a leak in pump #5, failed pump and tank 3 leak. All water tests are good. He has not received the test sheet to date. Robert L. Scott stated more district members will be certified. Rick said the state requires certified operators to oversee repairs, etc. It was suggested that all owners keep their cisterns full. Continued discussion on system improvements and repairs and SCADA.

Election and Appointments: Lynn D. McCreight discussed the required forms, reports and minutes that she sent to DOLA, Lawyer, District Court and County Clerk. These included: Oaths of office for Mike Shelton and Robert L. Scott, Certificates of Appointment for Mike Shelton and Robert L. Scott, Bond covering all District board positions (vs. members), and minutes of the special board meeting November 16, 2009.

Lynn also discussed the research done, continued research, Election 101 class, duties and timing of her duties as election official. Rudolfo Reveles (Rudy) suggested having an audit of district functioning laws by having legal representation at a meeting once a year or so. Discussion followed. Rudy read several Colorado state statues in regards to special districts. Who was eligible to vote was discussed. Questions on one vote per lot or more than one qualified voter per lot. Lynn will clarify with the question with the lawyer.

Robert L. Scott read off several election deadlines. He will handle the mapping requirement. Discussion followed. Robert L. Scott made a motion that the "Election Notice" be posted on the SFTR Bulletin Board, SFTR Guard Shack, SFTR Fire Station, County Clerks office, and the SFTR website 24 hours (as stated in the information at hand) prior to the election. The 24 hours was questioned. Lynn will verify that it is 24 hours vs. 72 hours as in past elections. Robert T. Scott seconded the motion. Motion carries. Lynn stated the notice will also be posted in the Century office. Robert L. Scott stated that this resolution on the "Election Notice" will be posted on the Special District Association website. The District is now a member of the S.D.A..

Robert L. Scott moved that the "Transparency Notice" be posted on the S.D.A. website and the SFTR website. Robert T. Scott seconded. Motion carries. What is included in this transparency can be obtained on the internet or contacting Lynn. This notice is due by January 15, 2010.

Further election deadlines were discussed. The next board meeting has been set for March 1, 2010 at 9am at the Century Financial Business office, 109 W. Main, Trinidad, CO 81082. Rudy Reveles quoted Colorado statute on special districts needing to have regular meetings. It was suggested having the meetings at a different time to accommodate more owners to be able to attend. Discussion followed.

Lynn D. McCreight had stated the board needed to make a resolution to have either a "Mail in Election" or a "Polling Place" election. The mail in election is more inclusive but more expensive, depending on the number of eligible voters. Discussion followed. Robert L. Scott moved to have a "Mail in Election". Robert T. Scott seconded. Motion carries. Lynn will confirm the terms of this type of election with the lawyer. Lynn stated that a Mail Ballot Plan had to be filed with the Colorado Secretary of State as soon as possible but no later than 65 days prior to the regular election.

NEW BUSINESS:

Lynn D. McCreight announced that Dave Grove from Century was in attendance to discuss a new contract with the SFTR Metro District. Discussion followed. Robert T. Scott asked Dave to put together a proposal that clearly defines the expectation of both sides and email the proposal to the board members.

Mike Shelton presented the proposed 2010 Budget. Discussion followed. Changes were made to Mike's original proposed budget. Robert L. Scott moved to approve the 2010 Budget as amended. Mike Shelton seconded. Motion carries. Copy attached.

In the discussion of the budget numbers, Rick mentioned that some owners wanted to have notice of any leaks in the water system. Discussion followed.

Mike Shelton stated that Lynn has requested a \$100.00 petty cash fund to pay for filing the liens, lien releases, etc. Discussion followed. Mike Shelton moved to set up a \$100.00 petty cash fund for Lynn to pay for filing liens, lien releases, etc. Robert L. Scott seconded. Motion carries.

ADJOURNMENT:

Robert L. Scott moved to adjourn at 11:44 pm. Seconded. Motion carries.

REVENUE**2010 proposed Budget**

Water Sales	40000
Maintenance Fees	65490
City Tap Fees	25750
Metro Meter Fees	5500
System 2nd loan payments	40000
Owner Bond Assessments	150000
Finance/ Interest Charges- All	3500
Other- Misc. Income	1000
Carry over for 2007 for 2009	400000
TOTAL INCOME	731240

EXPENSES

Bank Fees	400
Legal Fees	10,000
Accounting	35,000
CPA Costs	3,500
Utilities - Water	30,000
Utilities - Electric	13,000
Mileage Reimbursements	5,500
Insurance	4,000
Maintenance Repairs- Non OPEC	26,000
Completion Repairs- OPEC	26,000
Sanitation Expenses	7,000

Bond Principle & Interest	150,000
City Tap Fees	25,750
Metro Meter Fees	5,500
System Modifications/SCADA	45,000
Emergency reserve	15,000
	401,650