

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
OF THE TABERNASH MEADOWS WATER AND SANITATION DISTRICT**

TMWSD Water Plant, 729 County Road 5141, Tabernash, Colorado
March 23, 2011
6:30 p.m.

1. DIRECTORS PRESENT:

Irene Cooke, President
Molly Lipke, Secretary/Treasurer
Susan Koeneke, Director
Marilyn Hajicek, Director (excused)
Dick Sprague, Director

2. PUBLIC IN ATTENDANCE:

None

3. STAFF/CONSULTANTS PRESENT:

Lauralee Kourse, Manager/Operator
Cindy Greiner, Administrative Staff
Donette Schmiedbauer, District Accountant
Georgia Noriyuki, District General Counsel

The meeting was called to order at 6:38 p.m.

- 4. DISCLOSURES:** Molly Lipke had presented her Disclosure regarding owning property in the Valley at Winter Park at a prior meeting, and now disclosed that she has been appointed as a director to the Valley at Winter Park water district board.

6. 2010 SUPPLEMENTAL BUDGET -

- Donette presented the 2010 supplemental budget for the board to approve and explained that due to the Bond refinancing there were three line items that needed to be added. On the revenue side the \$3,800,000 Bond proceeds were added. On the expense side \$155,739 and \$3,635,646 were added to reflect Bond issuance costs and Bond Payment to Refinancing the Escrow, respectively.
- Dick Sprague made a motion to approve Resolution 3-23-1, the 2010 Supplemental Budget, as presented. Susan Koeneke seconded the motion to approve Resolution 3-23-1 and the motion passed unanimously.

7. 2010 AUDIT

- Neil Schilling presented the 2010 Audited Financial Statements. Neil reviewed the Auditor's Report in which he expresses his opinion that the financial statements present fairly, in all material respects the financial position of Tabernash Meadows Water and Sanitation District. Neil discussed the significant parts of the audit and explained the process. Neil reviewed his letter to the board regarding observation related to internal controls related to check signing policies and credit card statement documentation.
- Staff discussed the internal controls regarding the check signing policies. Donette cuts checks every two weeks and the District manager is authorized to sign checks that are less than \$5,000. Amounts over \$5,000 require two signatures. Occasionally the District manager needs to hand write a check and informs Donette that a check was written. The operating account does not have large sums of money in it and the District Manager does not have access to the money market accounts. Money is transferred electronically by Donette from other accounts and only as needed. Donette is not authorized to sign checks. The District's policy has been to pay its vendors and contractors quickly and because our contractors and vendors appreciate this policy they always readily available when we need them. The board is comfortable with the system in place and feels there are

adequate safeguards. The board recommended no change to the current internal policy regarding check signing.

- Credit card statements are reviewed by the board however the staff will be more diligent with providing better paper documentation (individual receipts for each transactions, in addition to monthly statements).
 - Dick Sprague moved to accept the 2010 Audited Financial Statements as presented. Susan Koenke seconded the motion and the motion passed unanimously.
- *Neil Schilling left the meeting at 7:45

7. BIOSOLIDS FINANCING RESOLUTION 03-23-02

The board reviewed the following resolution which was prepared by District bond counsel, Tom Peltz:

"A RESOLUTION OF TABERNASH MEADOWS WATER AND SANITATION DISTRICT, GRAND COUNTY, COLORADO, APPROVING A LOAN BETWEEN THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY AND THE DISTRICT FOR THE PURPOSE APPROVED AT AN ELECTION HELD WITHIN THE DISTRICT ON NOVEMBER 4, 1997; AUTHORIZING THE FORM AND EXECUTION OF A LOAN AGREEMENT AND A GOVERNMENTAL AGENCY BOND EVIDENCING THE LOAN; PROVIDING FOR THE PAYMENT OF THE BOND; AND APPROVING OTHER MATTERS RELATING TO THE LOAN."

- Georgia Noriyuki, District general counsel, explained that Tom Peltz, District Bond Counsel, wrote the resolution and that the resolution document included excerpts from previously approved election documents. LL Kourse explained that the loan agreement between the District and the power authority required this resolution and an opinion from District's bond counsel and general counsel. The District was approved for a \$365,000, 0% , 20 year loan. The board had already reviewed and approved loan application for the biosolids project at the November 15, 2010 board meeting. Susan Koenke made a motion to approve the resolution as presented, the motion was seconded by Dick Sprague and passed with unanimous consent.


*Donette Schmeidbauer left the meeting at 8:15

8. Executive Session:

- A motion was made by Susan Koenke and seconded by Dick Sprague and unanimously passed to enter into executive session to receive legal advice from its attorney.
- Two matters were discussed with the District's General Counsel in Executive Session pursuant to CRS 24-6-402(2)(d)(I) and (3)(a)(II):
 - **Molly Lipke's disclosure of potential conflict**
 - **Legal issues related to Water Rights**
- A motion was made by Susan Koenke and seconded by Dick Sprague and unanimously passed to come out of executive session.
- The board acknowledged the conflict of interest that Molly Lipke had disclosed and would deal with the conflict on a case by case basis.

11. **ADJOURNMENT:** There being no further business, upon a motion by Molly Lipke, seconded by Dick Sprague, the Board voted unanimously to adjourn the meeting at 9:00 p.m.

The next Board meeting is scheduled for Monday, March 28, 2011, at 6:30 p.m. at the TMWSD Water Plant.


Secretary

31 MAR 2011
Date