

LOMA LINDA METROPOLITAN DISTRICT
BOARD MEETING
PAGOSA SPRINGS, CO 81147
September 9, 2015
(Approved November 11, 2015)

Call to Order

President John Porco called the meeting to order at 7:00 p.m. Other Board members present were Don Haywood, Bill Trimarco and Dave Parker. Lisa Jensen, administration contractor, attended and took minutes. Guest Linda Parker also attended.

President Porco began by adding an agenda item, Contracting Procedures, as the first item under New Business.

Minutes

Bill Trimarco moved; Don Haywood seconded a motion to approve the minutes of the regular board meeting held July 15, 2015 as written. Motion carried unanimously.

Treasurer's Report and Payment of Bills

Don Haywood presented the Treasurer's report for July 31 and August 31, 2015. The August 31, 2015 Balance Sheet shows \$4,610 in the Conservation Trust Fund account and \$89,540 in the general account, for total bank balance of \$94,150. Cash with Treasurer \$396 and Taxes Receivable \$51,583. Total fixed assets \$18,000 (grader). Total assets \$164,130. Total Equity \$112,547. Haywood noted that Net Income of \$71,013 reflects over-expenditure that was budgeted for.

The Profit & Loss Budget vs. Actual YTD for August 2015 shows actual YTD Total Income of \$73,237 compared with \$57,808 budgeted, most of which is from Archuleta County Treasurer. Snow Removal Actual YTD is \$8,865 compared with \$15,000 budget; Road Maintenance Actual YTD is \$128,265 compared with \$44,602 budgeted. Net Ordinary Income actual YTD -\$71,013 compared with budget -\$14,433.

Haywood noted cash disbursements on the August 31 and July 31, 2015 reports.

Haywood presented one bill to be paid: \$86.43 to Wilson, Rea, Beckel & Associates for accounting services.

Bill Trimarco moved; Dave Parker seconded a motion to approve the Treasurer's Report and payment of bills as presented. Motion carried unanimously.

Old Business

• ***Summer Road Maintenance Update***

Bill Trimarco reported that all bills for road work have been submitted. All roads were graded, had MgCl applied and were rolled. New material was added to some roads as planned. We are back on schedule to have new material applied to all roads over 4 years. The contractor plans to do a little touch-up grading on the main loop (Loma Linda Drive and Saddleback) within the next two weeks. Board members commented that the roads are in very good shape. Some work is needed at the subdivision entrance and in a few small spots due to last Saturday's heavy rain.

Trimarco authorized installation of lights on the grader. We will use conventional lights, which cost approximately \$2,000 installed compared with LED lights which are \$3,500 for materials only. The board agreed lights are a good idea, for early morning plowing.

John Porco noted that he had discussed road ownership with Todd Starr, County Attorney. Starr verified the County owns the road and right-of-ways and the Metro District is responsible for maintenance.

- ***LLMD Website and Newsletter Update***

John Porco reported the website is moving along and we should have a functioning website by next week. Name is www.lomalindametrodistrict.org. The designer mentioned at previous meetings is no longer available as he has taken a fulltime job, but he recommended Bill Hudson, who operates pagosadailypost.com. Hudson charges \$25/hour at most for design and \$6/month to host the website. Porco has met with Hudson several times, sent him photos to include and has a password to access the site. The home page will include news update such as current road work planned. Once it is functioning, other LLMD administrators will be able to update the website and post items, so there will be no continuing cost other than the \$6/month hosting fee. Porco recommended viewing the website for Pagosa Center for the Arts, which Bill Hudson designed. Lisa Jensen will send Hudson minutes and other documents to add.

Once the newsletter is up and running, Porco will mail one final print newsletter to constituents, informing everyone that news and documents are now accessible on the website.

New Business

- ***Contracting Procedures (added to agenda)***

John Porco presented the following information based on recent research:

1. The LLMD erred in contracting Bill Trimarco/Mowtown to mow the right-of-ways without publishing an invitation to bid. Statutes require publishing an invitation to bid for all contracts for work or material, regardless of the amount, when the contract is between the District and a Board member or between the District and the owner of 25% or more of the territory within the District. The LLMD will not make this mistake again.
2. General road work, maintenance and snowplowing, is considered a service contract, not a construction contract and as such, statutes do not require a bid process though some legal counsel may recommend it is safe to solicit bids. Porco outlined the chronology leading to our current contract with Honda Hauls: in 2005, the LLMD solicited bids and received three proposals (Hart Construction, Sutherland and Smithco). The LLMD chose Sutherland late in 2005, then in the spring of 2006, Sutherland moved away from this area. At that point, two other possible contractors emerged, Honda Hauls and Strohecker. The LLMD selected Honda Hauls and has continued the contract with Honda Hauls via an annual board agreement to continue the contract. Honda Hauls and Strohecker work cooperatively, with Strohecker providing material and Honda Hauls doing the work. LLMD owns the grader and leases it to Honda Hauls for \$1/year. Honda Hauls does maintenance work on the grader and carries general liability insurance. The LLMD does not carry equipment coverage for damage to the grader.
3. There are not many firms in Pagosa Springs that do this type of work, and not many grader operators in the county. Hart's proposal was to use pickup trucks, and Smithco wanted a \$2,500/month retainer in 2005. The LLMD is not a very lucrative contract; the LLMD paid Honda Hauls a total of \$ \$21,275 in 2014 and \$33,387 in 2015 YTD.

Porco thanked Lisa Jensen for her research with the Special Districts Association and LLMD file documents.

In discussion, Porco proposed that since it has been 10 years since the last bid process, if the Board wishes, the LLMD could solicit bids next spring. He noted that someone would have to prepare the bid package, which is extremely complicated and needs to include every detail. Porco advocates one contract for all the road maintenance and snowplowing rather than splitting into two even smaller contracts.

Bill Trimarco and other board members noted the good working relationships between Honda Hauls, Strohecker and GMCO (MgCl provider), which take a long time to build and should not be jeopardized. The board agreed no one is contemplating a change in contractor for this winter, so Porco suggested board members consider the proposal to seek bids next year and discuss again at this November board meeting. Trimarco noted that a bid process begun in January 2016 would be for work beginning at the end of 2016 since summer maintenance planning will already be underway by the time bids are received.

In further discussion, it was noted that the LLMD cannot locate a written contract with Honda Hauls. Work plans and other contractual agreements are documented in board meeting minutes every year. The board agreed we should have a written contract. Porco will contact attorney Bud Smith for guidance in preparing a written contract.

- *Appoint board member to fill vacancy*

Don Haywood moved; Dave Parker seconded a motion to appoint Farrell C. Trask to the Loma Linda Metropolitan District Board of Directors. Motion carried unanimously.

- *Oath of Office*

Farrell C. Trask took the Oath of Office, administered by President Porco.

Lisa Jensen summarized the board terms, noting that Dave Parker and Farrell Trask, both appointed in 2015, will serve until the next election in May, 2016, at which time they are eligible to run for office. Don Haywood's term expires in 2016 and he is eligible to run for re-election. John Porco was appointed in 2014 and eligible to run for election in 2016. Bill Trimarco was elected to a 4-year term, 2014-2018 and is eligible for re-election in 2018. Four board positions are up for election in May, 2016.

- *Appoint Vice President*

Don Haywood moved, Farrell Trask seconded a motion to appoint Dave Parker as Vice President. Motion carried unanimously.

- *Appoint Budget Officer*

Lisa Jensen noted the Budget Officer should have been appointed at the July board meeting and will be on the July meeting agenda in future years.

Bill Trimarco moved; Farrell Trask seconded a motion to appoint Don Haywood, Treasurer, as Budget Officer. Motion carried unanimously.

- *2015 Budget*

Don Haywood provided budget worksheets and the board worked through all revenues and expenditures. Haywood will circulate a clean copy following the meeting. November 2015 board meeting will be the budget hearing. Lisa Jensen will post notice of budget hearing in *The Pagosa Springs Sun*.

Bill Trimarco moved; Dave Parker seconded a motion to accept the proposed budget. Motion carried unanimously.

- *Winter Road Work Plans*

The board agreed to follow the same procedure as in previous years, with the contractor to begin plowing when we have received 4 inches of snow with more expected. The LLMD will not plow the bottom of private driveways as this cost almost as much each time as plowing the roads. A private driveway is the owner's responsibility.

- *Board Orientation*

Lisa Jensen provided a handout and gave a very brief orientation, highlighting the unique aspects of serving on a Special District board. The LLMD is a quasi-governmental organization and level of local government, with responsibilities defined by state statute. All meetings where a three or more board members are present must be public, with notice posted 72 hours in advance. Telephone conferences and email correspondence are considered meetings, so board members may not discuss issues via email. Jensen has ordered copies of the Special Districts Association Board Member Manual for all board members and recommended they read it as a good summary of statutory requirements.

Bill Trimarco noted the signature card at Bank of San Juans must be updated. He will initiate the process and will notify others, so all board members may be added as signing authorities.

- *Compliance Deadlines and Administrative Work Plan*

Lisa Jensen referred to the compliance deadlines and administrative work plan in the LLMD Bylaws.

- *SDA Annual Conference, September 23-25, Keystone, CO*

A reminder; no one has ever attended from LLMD. The SDA provides valuable training and resources.

Correspondence

Don Haywood circulated correspondence.

Open Discussion

Linda Parker presented a request, first describing the road base rocks along her property that were deposited there when the contractor cleared ditches about two and a half years ago. After lengthy discussion, board members asked the Parkers what they want, since this is the third time they have raised this issue to the LLMD. The Parkers would like the contractor to remove the rocks. Board members with the exception of Dave Parker agreed that the contractor completed the work required in clearing the ditch, and the LLMD will not require the contractor remove the rocks. The LLMD does not have the budget to do this type of work for all constituents, and cannot do this for only select constituents; removing rocks so lot owners can mow their property is beyond the scope of LLMD Service Plan. Even if the LLMD had the rocks removed, this raises the question of where to put them. President Porco told Dave Parker to refer complaints to him.

Dave Parker noted that the owner of 2468 Loma Linda Drive has constructed an entrance fence in the right-of-way and asked whether this is a LLMD issue. John Porco responded that this has happened in the past, and the LLMD has informed lot owners that the LLMD is not liable for damage to their personal property within the right-of-way. Porco will notify the lot owner that his fence is in the right-of-way and that he can leave it there, but the LLMD is not responsible if it is damaged by equipment.

Adjournment

Don Haywood moved; Farrell Trask seconded a motion to adjourn the meeting. Meeting adjourned at 9:40 p.m.

The Loma Linda Metropolitan District Board meets the second Wednesday of every odd-numbered month at 7:00 p.m. The current meeting place is 555 Loma Vista Court.

2015 Meeting Dates

- √ **January 14**
- √ **March 11**
- √ **May 13**
- √ **July 15 [change of date]**
- √ **September 9**
- November 11**