

ARISTOCRAT RANCHETTE WATER PROJECT, INC.
MONTHLY BOARD MEETING MINUTES
July 13, 2022

The meeting was called to order 7:00 P.M.

PRESENT: Board members Hurshell Malone, Dianne Gray, Deb Carpenter, Gus Porter, Dan Swesey and Administrator/Secretary Brian Filkowski. Nonmember Lori Adams was also present.

It was determined that there were enough board members present to have a quorum.

A motion was made by Dianne Gray to approve the presented agenda. This motion was seconded by Deb Carpenter. This motion passed.

Dianne Gray announced she felt the minutes did not accurately represent the June meeting and that the Administrator acted improperly dealing with member Erika Boyer. Additionally, Dianne Gray insinuated that there was an improper relationship between Erika Boyer and the Administrator.

Deb Carpenter responded that the minutes reflected the basis of what occurred, not all the details. Dianne Gray did not like that Erika Boyer was afforded so much attention during the meeting. Deb Carpenter agreed that the meeting was not run as it should have been, where as any member attending a meeting should not be included in the actual meeting but given time at the end of a meeting to be recognized and heard. President Hurshell Malone interrupted and requested a motion to accept the June minutes.

A motion was made by Deb Carpenter to accept the Reading and Disposal of any unapproved minutes. This motion was seconded by Gus Porter. This motion passed.

The BoD had basic questions regarding the usual payments, all of which were explained by the Administrator. President Hurshell Malone asked to get a motion for approval and Dianne Gray stated, "I can't make motions like that". Regarding the monthly financials.

A motion was made by Gus Porter to accept the financial report. This motion was seconded by Deb Carpenter. This motion passed.

A question arose regarding the USDA interest entry on the BoD Cash Flow Statement. It was dismissed as a mistake and protocols to avoid these situations in the future were discussed, including the policy of having each BoD member view and identify questions a day prior to the meeting, then individually sign off on the financials at each meeting.

NEW BUSINESS: The Administrator announced the payment of the Joe Bueno lien, pumphouse communication upgrade phase completed, the agreed to financial posting on the website is done, and copies of the security gate proposal were distributed to

each BoD member, with spec sheets available. Dianne Gray commented that barbed wire would negatively impact our insurance rates. The Administrator informed the BoD that ARWP, Inc. currently already had barbed wire in place at both facilities and that no insurance rate increase was anticipated. Second quote has been requested.

The definition of member in good standing topic boiled down to the following language being suggested:

Member in good standing is the status assigned to a member of the Aristocrat Ranchette Water Project (ARWP) organization when that member has remained current on all ARWP water and tap fee payments, staying current with and maintaining eligibility under all criteria for a member under the provision of Section 2.12 of the ARWP bylaws. The definition must be construed under ordinary rules with reference to the bylaws, and a member in good standing must also act in good faith with regard to the ARWP at all times. Any unlawful criminal activity and any other action, which is the board's sole discretion, harmful to ARWP, shall be a violation of good standing status.

Dan Swesey brought up numerous points regarding this subject questioning if our customers know what a member of good standing means. What is our mission and obligation to the members? The BoD discussed the reasons why we exist and there were various points of view. Dan Swesey indicated he would like to make a 10-minute presentation at the next meeting related to a membership agreement. Points were made that the ARWP, Inc. bylaws are in fact our membership agreement. Would it be prudent to make a statement on the bill and or the web site that states: paying your bill constitutes acceptance of our terms of service. Does a terms of service statement need to be posted or do the bylaws themselves constitute such a statement. Comments were exchanged back and forth with the room leaning towards the theory that the current bylaws do in fact constitute terms of service.

Dianne Gray brought up the transparency subject regarding open meetings questioning why members are required to call first in order to attend. The Administrator explained the policy is a carryover from Covid issues and is now part of the overall planning process following similar protocols of other organizations. Deb Carpenter and others commented on wanting to know who was coming and agreed that planning regarding meeting attendance continues to be prudent. Comments continued regarding what ARWP can and cannot do pertaining to good standing enforcement. Decisions by the BoD should be applied evenly, and forgiveness of violations should be a BoD vote. Dan Swesey commented that ARWP is a charity or was at least started as one. What happens when one member costs the company money? ARWP should be operating compassionately. Dan further stated that ARWP should not be operating under the suspicious eye. Hardship compassion was discussed, and it was agreed that such a person should be offered time at a monthly meeting to present their case to the BoD for consideration. The issue of no operating agreement again was brought up. Diane Gray pointed out that setting up an account constitutes an acceptance of or bylaws. Deb Carpenter asked about what would be in a membership agreement that was not already addressed in the bylaws?

It turns out, and the BoD agreed that the bylaws cover most or all these issues. Dianne Gray again implied a relationship between the administrator and Erika Boyer, at which time the administrator put on the record the inappropriateness of these comments, and acting as the secretary of the ARWP BoD, instructed that these comments cease. Work continued with talk on language added to the bill and operating acceptance, how to deal with legal fees generated from member behavior. What would proper boundaries be regarding the members and the office and or the BoD. Deb Carpenter noted that ARWP community involvement was historically nonexistent. Maybe because in the past information never flowed well whereas now, we have the vehicle in place for better posting. Moving on to specific by law changes by page:

Page 7. What is good standing (page 19) All the meetings are open by appointment in order to prepare. Deb Carpenter pointed out that we should know who is coming as currently posted on the website.

Page 8. Dates adjusted under 2.05 B, May to December and May to November.

Page 10. Code of Conduct for the board. Make community member committee people adhere to the same code of conduct. C. on page 9 to include members. Create a form to be signed by the member attending a meeting. We are not building a wall; we are installing boundaries. To be included in the bylaws and on the website. Essentially the same thing. Language on the bill could read that by paying your bill you agree to the terms of service. Dianne Grey stated she misses committees.

Page 11. C D E Starting in October, may rather than shall, Budget date to be December meeting, budget adoption to be at the January meeting.

Page 12. Section 2.06 Business Administration. (Paul issues) Financial page signed off by each BoD member at each meeting. Note that we are being monitored by USDA, CoBank, Element, Direct Accounting and Hopp Consulting CPA. The audit process will be monthly not annually unless directed by USDA otherwise as the project progresses. The Cash Flow Statement will remain for BoD eyes only. The treasurer should approve and make the motion to approve the financials, after being signed off by the BoD members, at each meeting. It is noted that ARWP accounting procedures are evolving over time. Per the attorney, no annual audit is currently required by statute. We will be doing a transparent mini audit on a monthly basis.

Page 13 E redefine financial posting SOFA and SOFP prepared and posted monthly.

Trudy Wise: Called the Weld County sheriff because the administrator had the attorney send out a letter to her to stop contacting the administrator on his cell phone. She also went to President Hurshell Malone's house. Wants to come to a meeting but never shows up. Her question possibly being why did we pay for a lawyer to send her a letter? A question that should be raised at a meeting, not a someone's home or by calling someone's personal cell phone. The letter to Trudy Wise was approved by the President prior to mailing.

This brought up a point by Deb Carpenter regarding how we deal with members attending the meetings. The point being that the BoD has its own work to be completed first, then address the issues of any member present. Run the meeting as normal, not focusing on or including any member until it is their time to talk. Again, it was stated that members can come to any meeting, anytime, with proper notice as posted on the

website. No member has the right to contact the administrator, who works for the BoD, not the members. Finishing the talk on Trudy Wise it was explained that after continued attempted contact with the administrator's cell phone, and a request for this activity to cease, a letter was written by the attorney and sent to Trudy Wise. This letter was copied to the BoD members for review, requested by Deb Carpenter

ADJOURNMENT: With no further business a motion was made by Gus Porter to adjourn. This motion was seconded by Dan Swesey. This motion passed.

SUBMITTED:
Brian Filkowski
Secretary

APPROVED:



APPROVED