

Cleta Grey and Becky Hutcheson: Could you get this to Jay Hutcheson? Thanks. Tom Locke

6/28/13

Dear Jay Hutcheson: Below is an email I sent Sean Paris on Aug. 10, 2012, regarding Bill Schwartzkopf and Jeff Winter. Below that is an email I sent Sean Paris on Aug. 13, 2012. He responded to neither of those emails, and you and none of the board members except Jim Eldridge responded to my emails prior to our publication of a story on Aug. 17, 2012 about failure to file nondisclosure statements. The email from Eldridge says nothing about William Gotwald being reimbursed by Schwartzkopf for labor.

I have attached documents relating to a complaint filed against Jeff Winter and Bill Schwartzkopf as well as invoices I had sent with my email to Paris on Aug. 10.

Why did no board member or you mention Gotwald when I inquired about this before publication of our Aug. 17 article on failure to file non-disclosure statements?

Also, why has Gotwald's name never been mentioned in a board meeting, as far as I can recall, and why is it not mentioned in Schwartzkopf's invoices?

Why is there no mention of "reimbursement" in those invoices. As far as I know, it is customary to provide receipts when requesting reimbursement. Can you verify that Schwartzkopf provided those receipts?

Also, can you elaborate on the payments Winter or his company or Schwartzkopf have received from the Hartsel Fire Protection District since Aug. 17, 2012? Were they all reimbursements for amounts paid to others for parts and/or labor?

Also, can you comment on Winter's failure to file disclosure statements after the one he filed on Sept. 14, 2011, dealing with the contract for \$3,774.05. That filing indicated that he knew of the legal requirement for such filings, so it would seem that the ignorance of the law argument would not be appropriate. Can you comment on that?

Also, on another matter, can you tell me what your understanding is about whether Hartsel Fire has a general contractor for Station 7, who that general contractor is, and for what time periods that contractor has been used for station 7? Just looking at station 7 as a whole, can you tell me when it did have a general contractor and when it didn't have a general contractor during construction?

Our deadline next week is a day early because of the Fourth of July, so if you could get back to me by today or this weekend, that would be great. Thanks. Tom Locke at The Flume

P.S. My personal email address is bigmittens1@yahoo.com. If you could copy any response to that email, that would be great. All the best. Tom

----- Forwarded Message

From: Tom Locke <editor@theflume.com>

Date: Fri, 10 Aug 2012 17:13:06 -0600

To: "Sean P. Paris" <sparis@rockymountain-law.com>

Conversation: Questions from Tom Locke at The Flume

Subject: Questions from Tom Locke at The Flume

Aug. 10, 2012

Dear Sean Paris:

Today I have emailed the board members and Jay Hutcheson a letter similar to this one.

I have pasted below a portion of the story that ran on May 18, 2012, titled "Controversy continues at Hartsel Fire." (Can be found on our website.) Considering the fact that Fire Chief Jay Hutcheson said the following:

"When Jeff Winter gives me a bill, that was for valves that he can buy cheaper than I can, because his supplier gives him a better discount to start with, and I've saved like \$130 a valve and he just turned that savings right back to us. And for him to get nailed in the paper because he received money for it is wrong, without an explanation of what it was. Same goes for Bill (Schwartzkopf). Same went for everybody else."

I have attached invoices obtained by an open records request made by Connie Gray showing that Bill Schwartzkopf was billing the fire district \$30 an hour. I was wondering if you could address the following questions:

- 1) Since Bill Schwartzkopf billed the district \$30 an hour for his work, would you consider Jay Hutcheson's statement above accurate and why or why not?
- 2) One of Schwartzkopf's bills is for \$2,008.43. Did the board vote for prior authorization on that, since it is more than \$2,000? Should it have voted on that prior to the work being done?
- 3) How does Schwartzkopf's being paid \$30 an hour fit with Marie Chisholm's statements below? Is there any validity to Marie Chisholm's statements? Would you consider the paycheck payments to Jeff Winter (see below), and the payments of \$30 an hour to Schwartzkopf, making a dime off the district?
- 4) It's hard to tell whether any of Schwartzkopf's invoices are overlapping. I see a total of six invoices for a total of \$5,750.93. Was that the total amount he billed for January through April 2012?
- 5) Could you provide more detail about exactly what work Schwartzkopf was doing for station 5, whether this billing is normal, whether the work should have been bid out, and how it came about that he was chosen for the work.

Thanks. That's all I can think of right now. As you know, my deadline is Tuesday, Aug. 14, so if you could respond by then, that would be great. If you want to reach me by phone, you can call me at 303-838-4423 Ext. 10. My email address is editor@theflume.com

All the best. Tom Locke, editor, The Flume

P.S. Here's the part of the story from which Jay Hutcheson's comment was extracted:

In the chief's report, Hutcheson said that a check written to board member Jeff Winter was for valves that Winter had gotten at a good price from his supplier. The letter from Monica Jones (see it at theflume.com) stated that a check for \$1,711.68 was paid to Premier Pump, which is owned by Winter. Hutcheson said at the May 10 meeting: "When Jeff Winter gives me a bill, that was for valves that he can buy cheaper than I can, because his supplier gives him a better discount to start with, and I've saved like \$130 a valve and he just turned that savings right back to us. And for him to get nailed in the paper because he received money for it is wrong, without an explanation of what it was. Same goes for Bill (Schwartzkopf). Same went for everybody else. If you're going to put something in the paper, put the complete thing in the paper on what it was for." (Hear the recording at theflume.com, this part at 1:13:00 - 1:17:00)

Asked about Hutcheson's comments, Monica Jones said in a May 14 email: "I don't have a copy of the checks or what they were for and I didn't attend the May 10 board meeting, but as usual the Chief or Board always comes up with reasons or excuses for their expenditures or actions after they are questioned. The Board voted to pay bills without indicating that some of the bills that were being paid were to board members. Not one board member that received funds recused themselves from a vote or indicated that payments were being made to themselves individually or as a business."

Marie Chisholm, who does not reside within the district but often comments at meetings, said early in the meeting regarding the letter to the editor from Monica Jones: "I knew for a fact that whoever got money - that's reported in the paper, got supplies for this district. And it was wholesale price. They never made a dime. If they made a dime, that's against the law." (12:00-15:00)

Emails were sent from The Flume to all the board members, to the board's attorney, Sean Paris, and to Hutcheson to provide an opportunity to provide a "complete" explanation of each payment, which Hutcheson had indicated that he wanted in the newspaper.

The emails also asked for clarification as to whether any board member - including Jeff Winter through Premier Pump - had ever made a profit off of work done for Hartsel Fire and whether such a profit would be deemed illegal under Colorado law.

No response was made by Hutcheson, Paris or the board members, including new board member Jim Eldridge. [Note: After the print edition came out, Eldridge told The Flume he had not seen the email prior to the print edition deadline.]

In a May 15 email, Monica Jones stated: "The information obtained through an open records request shows that William Schwartzkopf received checks with nothing written in the memo portion of the checks and that Jeff Winter received paychecks as well as payments to his business. Obviously a paycheck is not a reimbursement for supplies and if nothing is listed in the memo of the check it is impossible to determine what the check was for."

Her letter to the editor shows \$376 paid to Winter directly and \$1,711.68 paid to Winter's company, Premier Pump.

Two documents, one called "general fund reconciliation" and one called "petty cash disbursements" provide details on the payments that the Monica Jones letter describes. They are on The Flume's website at theflume.com with this article.

Hartsel-area resident Connie Gray, who provided the documents to The Flume, said in a May 16 email that anything that says "paycheck" on on the left-hand side is having taxes taken from it. Jeff Winter has payments marked "paycheck," such as the Dec. 7, 2011, check number 36795 for \$143.40.

Gray told The Flume that those are financial documents she gets from the district every month, and they are produced by the district, so the wording "paycheck" is that of the district. She said it is generated for those checks that have taxes taken out and are handled through a software for payrolls. Winter has been receiving paychecks from the district for quite some time, under what she believes to be the "weekend volunteer payroll program," said Gray. "To me, you can't be a board member and an employee at the same time. It's a conflict of interest."

That's because on the one hand, as a board member Winter is expected to oversee Hutcheson, but as an employee, Winter is expected to do Hutcheson's bidding.

The Monica Jones letter to the editor about the payments follows a considerable history of questions concerning payments made by the district, including \$4,000 paid out of a petty cash fund to Jay Hutcheson's company, Maverick Construction, without a bidding process, as noted in the Aug. 24, 2008, Flume.

Sean Paris: Since I sent you the email on Friday, I've taken a look specifically at the statutes.

Below you'll find an email I sent to Bill Schwartzkopf on Friday. I have sent similar emails to the other board members, the fire chief and you. Please take a look at the invoices attached. They show that Bill Schwartzkopf was billing the district \$30 an hour for plumbing work. In addition, we've shown in the May 18 article that Jeff Winter was getting paychecks, not just reimbursements, from the district. With that in mind, would you say that those two board members have been receiving pay in violation of Colorado statutes and if not, why not. If so, what is your proposed remedy for this?

I particularly refer you to Colorado revised statutes 32-1-902 (3) (b), which states: "No director shall receive compensation as an employee of the special district ..."

My deadline is tomorrow, Tuesday. Any response would be appreciated. All the best. Tom Locke, The Flume

----- Forwarded Message

From: Tom Locke <editor@theflume.com>

Date: Fri, 10 Aug 2012 16:23:45 -0600

To: <foffandd@yahoo.com>, Cleta Grey <cleta_grey@yahoo.com>, Cleta Grey <hartselfire@hotmail.com>, "info@hartselfire.org" <info@hartselfire.org>

Cc: dsf dfs <bigmittens1@yahoo.com>, Tom Locke <editor@theflume.com>

Conversation: Invoices on plumbing for Bill Schwartzkopf, questions from Tom Locke at The Flume

Subject: Invoices on plumbing for Bill Schwartzkopf, questions from Tom Locke at The Flume

Aug. 10, 2012

Dear Bill Schwartzkopf:

I have pasted below a portion of the story that ran on May 18, 2012, titled "Controversy continues at Hartsel Fire." (Can be found on our website.) Considering the fact that Fire Chief Jay Hutcheson said the following:

"When Jeff Winter gives me a bill, that was for valves that he can buy cheaper than I can, because his supplier gives him a better discount to start with, and I've saved like \$130 a valve and he just turned that savings right back to us. And for him to get nailed in the paper because he received money for it is wrong, without an explanation of what it was. Same goes for Bill (Schwartzkopf). Same went for everybody else."

I have attached invoices obtained by an open records request made by Connie Gray showing that you were billing the fire district \$30 an hour. I was wondering if you could address the following questions:

- 1) Since you billed the district \$30 an hour for your work, would you consider Jay Hutcheson's statement above accurate and why or why not?
- 2) One of your bills is for \$2,008.43. Did the board vote for prior authorization on that, since it is more than \$2,000? Should it have voted on that prior to the work being done?
- 3) How does your being paid \$30 an hour fit with Marie Chisholm's statements below. Is there any validity to her statements? Did you charge the district the same amount for parts as what you paid? By charging \$30 an hour, would you consider that making a dime off the district?
- 4) It's hard to tell whether any of your invoices are overlapping. I see a total of six invoices for a total of \$5,750.93. Was that your total amount

billed for January through April 2012?

5) Could you provide more detail about exactly what work you were doing for station 5, whether this billing is normal, whether the work should have been bid out, and how it came about that you were chosen for the work. i

I am copying this to Cleta Grey since I'm not sure the email I have for you now is a working email. Thanks. That's all I can think of right now. As you know, my deadline is Tuesday, Aug. 14, so if you could respond by then, that would be great. If you want to reach me by phone, you can call me at 303-838-4423 Ext. 10. My email address is editor@theflume.com

All the best. Tom Locke, editor, The Flume

cc: Cleta Grey

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