

**MINUTES OF THE BOARD OF DIRECTORS SPECIAL MEETING
ARABIAN ACRES METROPOLITAN DISTRICT**

April 22, 2020 at 5:30 P.M.

Via Telephone Conference Call

In attendance were Directors:

Edith Coffman, President
Lanny Hoel, Treasurer
Lucas Ortivez, Secretary
Allan Brown, Assistant Secretary
Stan Claassen, Assistant Secretary

Also in attendance were:

Lynn Willow, ORC
Kevin Walker, WSDM
Members of the public (See sign-in sheet)

1. ADMINISTRATIVE MATTERS

- a. Call to Order & Declaration of Quorum: President Coffman called the meeting to order at 5:31 p.m. and confirmed all Board members were present.
- b. Confirm any Potential Conflicts of Interest: The Board confirmed there were no conflicts of interest.
- c. Discussion and Approval of the Agenda: Mr. Walker requested that the Board table the approval of the March 4, 2020 Minutes. Director Claassen requested discussion on the meter status and monthly billing start up.
- d. Review and Approval of the February 19, 2020 Board of Directors Meeting Minutes: President Coffman noted a line item for \$173 is still on the Payables and asked if it will be removed. Mr. Walker apologized and said he is not sure why that keeps showing up on the Financials, but he will get it removed. She also noted that Director Brown said he was going to send his research and she never got that. Mr. Walker said he has it and will send that along to her. Director Claassen moved to accept the February 19, 2020 Meeting Minutes; seconded by Director Brown. Motion passed unanimously.
- e. Review and Approval of the March 4, 2020 Board of Directors Special Public Meeting Minutes: The Board tabled the approval of the March 4, 2020 Meeting Minutes.
- f. Review and Approval of the April 7, 2020 Board of Directors Special Meeting Minutes: Director Claassen moved to approve the April 7, 2020 Meeting Minutes; seconded by Director Ortivez. Motion passed unanimously.

2. FINANCIAL MATTERS

- a. Review of billing and collection status: Mr. Walker discussed there was not a meter read in March, so it was a standard billing. At the due dates from March 30 to April 5, there were 21 missing payments. 10 of them arrived late due to the USPS, and as of April 15 there are 11 late payments. Mr. Walker there was not a substantial difference in late payments considering the Coronavirus issues. Meters will be read

at the end of April, so there should be a better sense of meter operations. A test was performed at the end of March and only 1 meter was not functioning properly, so Mr. Walker is optimistic for the upcoming meter read and billing. Director Claassen asked about changing to monthly billing and Mr. Walker explained the Board will need to post 30 days in advance a meeting notice prior to any change in the billing. He noted they will also have to change the rates and charges because they are currently based on 2 months charges. The Board directed Mr. Walker to notify the customers in the upcoming bill about the proposed changes to monthly billing. Mr. Willow noted that based on feedback he has received most customers are looking forward to a monthly billing that is easier to budget for.

- b. Review and approve the Payment of Claims: Mr. Walker noted he modified the Payment of Claims to include the Board's payments. The Board discussed the Canvasser's payment of \$100 that was agreed to last month. Director Claassen asked about Mr. Feidler's invoice that includes hours from January. Director Claassen also asked about where the funds for his payments are in the budget. Mr. Walker said he will have to look at the budget to answer that question. Director Claassen asked about charges from Colorado Analytical Laboratories. Mr. Walker explained it is required quarterly testing of the water. Directors Brown and Claassen asked about the charge from Straight Edge Inc. Mr. Walker explained it is who completed the electrical design for the capital project. Director Claassen asked about the invoice for the payment to Dana Kepner. Mr. Walker suggested approving the payment of claims minus the \$1,680 payment to Dana Kepner, so he has time to review and get back to the Board. Director Claassen moved to accept the Payment of Claims except for the \$1,680.93 payment to Dana Kepner pending clarification; seconded by Director Brown. Motion passed unanimously.
- c. Review and accept the March 31, 2020 Unaudited Financial Status: Mr. Walker noted there have been no major month to month changes. There are no financial issues, and there is almost \$500,000 in the bank. Mr. Walker said he thinks financially, the District is doing quite well. He noted they will start payments for the meter project loan on May 1st, 2021 and he is finalizing the documents on Friday. Director Claassen moved to accept the March 31, 2020 Unaudited Financial Status; seconded by Director Ortivez. Motion passed unanimously.

3. OLD BUSINESS

- a. Status update on the Proposed Water System Upgrade project
 - i. Loan application status: Mr. Walker reported the \$1.5 Million loan was approved on April 17th by the Colorado Power and Water Authority. \$400,000 is forgivable principal and \$1.1 Million loan at 0.5% interest for 30 years. Mr. Walker confirmed it is simple interest and the District could pay off early if they wanted. The projected annual payment is roughly \$58,000 and they had projected for \$89,000 per year. Mr. Walker said he is preparing all the loan documents and noted they will need Bond Counsel since Susemihl and Downie, P.C. is not considered acceptable. Mr. Walker explained Bond Counsel is a loan requirement for public finance and is a one-time expense that can be reimbursed.

- ii. Plan review status: Mr. Walker reported that Mr. Sommers is in the final process for State approval of the plans.
 - iii. Wetlands: Mr. Walker reported the wetlands study was completed. The study determined there are wetlands in the vicinity of Control Building A, but we would not be disturbing them based on current plans. Ultimately, there are no changes to the plans needed.
 - iv. Project Bid Status: Mr. Walker said they advertised and put the project out for bids. Mr. Sommers reported there have been at least 6 contractors who have picked up the plans. There will be a preliminary bid meeting on May 6th and the bids are due on May 15th. Director Brown asked if the bid was for a 100,000-gallon storage tank. Director Claassen explained the base bid includes a 100,000-gallon tank. He has also included a break-out price for the tank in the bid and a deduct alternate 60,000-gallon tank so there are options. Director Brown asked Mr. Willow if there is an issue with freezing of the tanks based on size. Mr. Willow said no and explained he could use an agitator to circulate the water to prevent that. He also noted that based on his research there is not a huge price difference between a 60,000 and 100,000-gallon concrete tank. Director Claassen discussed quality control costs and getting prices for soil and concrete testing to make sure there are adequate funds for these things.
- b. Election update: Mr. Walker reported the ballots should be mailed this week. There will still be a ballot drop-off at the Fire Station on Election Day. Mr. Walker said he is not sure about the details on counting regarding Coronavirus, but they may not have preliminary numbers that night. Ballots can be received up to 8 days after Election Day and canvassers will meet around May 15th and the election will be decided. Mr. Walker explained there is a 7-day period after that for lawsuits and then they are finalized. Oaths of Office can be administered prior to June 3rd, so there should be a new Board seated at the June meeting.
 - c. Approve contract for ORC services with J. A. Excavating & Septic Services, LLC: Mr. Walker presented the final form of the contract to the Board who received it for review yesterday. Mr. Willow noted that Mr. Feidler's hours will probably be reduced because he used him a lot more during the meter project which is now complete. Mr. Willow confirmed he approves his contract and he can work with it. The Board discussed Mr. Feidler's rate for snow removal. After further discussion, Director Ortivez moved to approve the contract for ORC services with J.A. Excavating & Septic Services, LLC; seconded by President Coffman. Motion passed unanimously.
 - d. Approve contract for Water Operator with ADS, LLC: President Coffman asked why it is unacceptable to make payments payable to Mr. Feidler. Mr. Walker explained the reason is because the contract is with his company. President Coffman that doing it this way is the best for the District and for Mr. Feidler's company. President Coffman moved to approve Mr. Feidler's contract for Water Operator with ADS, LLC with the rate of \$85 per hour for snow removal; seconded by Director Ortivez. Motion passed unanimously.

4. OPERATOR'S REPORT

- ORC Report: Mr. Willow gave the Operator Report and noted there was nothing out of the unusual. There was no water purchased and Bac-T samples for the month have been taken and are negative. Mr. Willow replaced a meter on Salbani and performed a quarterly tank inspection per the State's storage tank law. Mr. Willow has attended

multiple teleconferences on COVID-19 by the EPA for water systems and noted the treatment we use is more than adequate. Mr. Willow discussed the Flush Hydrant at the end of Gerka and one at 222 Denwood that need to be replaced this Spring. He would like to get this done next week and it would cost around \$870 for material and \$1,200 to \$1,500 for excavating per hydrant. Mr. Willow explained they are starting to leak, and the valve will not seal correctly. They are an older model without replacement parts, so we cannot just repair. He noted they are important for water quality. Mr. Walker asked if they should hold off until after the capital project. Mr. Willow said he could ask Mr. Sommers to see what he suggests.

5. NEW BUSINESS: Director Brown stated that he will be putting his research into wells and cisterns on hold for now. Mr. Walker noted they were going to need additional legal advice that could cost the District money, so it was put on hold until the capital project was decided. President Coffman asked if there was anything sent out to gauge interest from the community on wells. Mr. Walker said no they did not. Director Hoel said his opinion is that the Metro District is not in the well business and they have no business even looking into it. He added that those who want wells can look into it themselves.

President Coffman brought up an email she just received in regard to there not being a security sleeve with the ballot. Mr. Walker confirmed that Mr. Downie cleared the ballot process with the Secretary of State, and they removed the security sleeve requirement a few years ago.

6. OTHER BUSINESS: There was no discussion.

7. PUBLIC COMMENT: Mrs. Douglass said she received her ballot and voted. She noted there is a security sleeve that is a piece of paper that you fold up with your ballot. Mrs. Douglass asked about the size of the tank and wildfire concerns. Mr. Willow said a larger 100,000-gallon tank would help. He noted they currently have a 30,000-gallon tank that is more appropriate to serve 30 to 50 houses, and Arabian Acres serves 151. In his opinion you cannot have too much storage capacity. Mr. Willow discussed that they do not have ISO rating for fire hydrants, but they have 3 hydrants in the District which could help with a fire, but not much with the current storage.

Mr. Winterer complimented the Board on the video conferences and thanked them for making the meetings available to everybody.

8. ADJOURNMENT: Director Claassen moved to adjourn; seconded by Director Brown. Motion passed unanimously at 6:56 p.m.

Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 22, 2020 MINUTES OF THE ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Edith Coffman, President

Lucas Ortivez, Secretary

Lanny Hoel, Treasurer

Allan Brown, Assistant Secretary

Stan Claassen, Assistant Secretary