

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

June 17, 2020 at 5:30 P.M.

Via Telephone and Video Conference Call

In attendance were Directors:

Allan Brown
Stan Claassen
Edith Coffman
Elizabeth Douglass
Lanny Hoel

Also in attendance were:

Kevin Walker, WSDM
Adam Sommers, AquaWorks
Mike Groselle, AquaWorks
Lynn Willow, ORC
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 5:30 p.m. and confirmed all Board members were present.
- b. Confirm any Potential Conflicts of Interest: All Board members confirmed there were no conflicts of interest.
- c. Discussion and Approval of the Agenda: After discussion, Director Claassen moved to approve the Agenda; seconded by Director Douglass. Motion passed unanimously.
- d. Review and Approval of the May 20, 2020 Board of Directors Meeting Minutes: Director Hoel moved to approve the May 20, 2020 Board of Directors Meeting Minutes; seconded by Director Claassen. Motion passed unanimously.
- e. Review and Approval of the June 3, 2020 Board of Directors Special Public Meeting: Director Claassen requested a change to the minutes regarding the exploratory work. Director Claassen moved to approve the June 3, 2020 Board of Directors Meeting Minutes with the discussed changes; seconded by Director Douglass. Motion passed unanimously.

2. FINANCIAL MATTERS:

- a. Review of billing and collection status: Mr. Walker suggested ending the no collections and water turn-offs this month and begin the collection process or work out payment plans to get a couple accounts paid current. Mr. Walker noted the Consumer Confidence Report will be distributed next week. The Board discussed ending the relief on payments at the end of June. Director Claassen moved to withdraw the emergency resolution; seconded by President Coffman. Motion passed unanimously.
- b. Review and approve the Payment of Claims: Mr. Walker noted the Zion Bank claim was already paid by wire transfer in early June to make the interest payment. Director Claassen moved to approve the Payment of Claims; seconded by Director Douglass. Motion passed unanimously.
- c. Review and accept the May 31, 2020 Unaudited Financial Status: Mr. Walker reported they are catching up on tax collections and anticipate receiving them by the end of the summer. Mr. Walker discussed renaming bank accounts to reflect the working capital and reserve capital accounts. Mr. Walker noted they are working closely with the Auditors and they were helpful in getting the loan closed and are almost done with the 2019 Audit. The Audit draft will be sent to the Board and presented at next month's Board meeting

for approval. Mr. Walker explained the Auditors did confirm the District is still operating as an Enterprise and will continue to make that statement in the Audit. President Coffman moved to accept the May 31, 2020 Unaudited Financial Status; seconded by Director Claassen. Motion passed unanimously.

- d. Approve Contract for Ground Engineering: Mr. Sommers discussed a third-party engineering firm that verifies if the Contractor has met certain specifications with the dirt work and concrete strength. The contract is for a separate engineering firm and the District received two proposals. Ground Engineering had the lower hourly rates, so Mr. Sommers recommends them for the contract. Mr. Sommers noted there are technically two proposals for the project: distribution and the treatment. President Coffman asked about loan paperwork that states the District is replacing the water tank. Mr. Sommers explained he has advised the CDPHE that the District will not be replacing the tank and there was no objection from them on the subject. Mr. Sommers said he will follow up with them on that. Director Claassen moved to approve the contracts for Ground Engineering; seconded by Director Brown. Motion passed unanimously.

3. OLD BUSINESS:

- a. Public Hearing on Resolution to change rates and charges to allow for monthly billing: Mr. Walker explained the Resolution will change the rates and charges to allow for monthly billing. Director Claassen noted the footnote references were deleted. Director Brown asked about the fixed monthly costs. Director Claassen noted a clarification on the tap fee language. The Board agreed to move the approval to the July Board meeting with the corrected fees and language.
- b. Status update on the Water System Upgrade project

Schedule: President Coffman noted a delay on construction after signing the contract. Mr. Sommers updated the Board on the schedule and explained they are still in the pre-construction phase since the contract was signed on Monday and they are preparing the submittals that include the details on what materials will be supplied. Mr. Sommers reported the contractor completed the bedrock exploration and explained the importance of finding out how much rock was in the area. 13 tests were conducted throughout the District and 12 of them did not have any rock at all. Mr. Sommers explained the contractor anticipated finding a lot of bedrock in the area and that was factored into the price of his bid, but that is not a District problem and the District will not have to pay the additional money assuming they do not find rock.

Mr. Sommers discussed an issue where a contractor hit a water line in the District which drained the tank and caused a service outage. The team has now realized the importance of completing a thorough investigation to prepare for future excavations.

Mr. Sommers asked the Board to consider Saturday construction. He noted the advantage of completing the project quicker and the disadvantage of Saturday construction impacting the community with more residents being around. Director Claassen asked if Teller County had to come out on a Saturday would it cost more.

Mr. Sommers explained that would be a contractor expense. Mr. Sommers verified that the contract would allow Saturday work if the Board votes to authorize it. After further discussion, President Coffman moved to authorize Saturday construction with any additional expense being covered by the Contractor; seconded by Director Claassen. Motion passed unanimously.

The Board discussed the rock exploratory tests and the contingency in the contract for rock. Mr. Winterer asked if the contractor could back out of the contract because of the rock issue. Mr. Sommers explained the contract is signed and the project is bonded, so the project is protected, and the contractor cannot back out.

Communication plan: Mr. Walker discussed posting the construction schedule on the website as soon as it is made available. Mr. Walker went over how to provide customers with 24-hour notice prior to disconnecting their water for construction. The Board discussed the possibility of mass communication such as texts or emails to notify customers for service outages. The Board discussed creating a Facebook page for Arabian Acres MD to communicate service issues. The Board discussed ways to direct customers to the website. Mr. Walker will research these options further and report back to the Board.

- c. Ray Household water quality issue: Mr. Walker explained the water quality issues at the Ray household and noted they first tried replacing the water filters more frequently. Mr. Walker has been working with Mr. Willow and Mr. Sommers on the next step to pump the line with pressure to clean out the residue. Mr. Ray noted the water became very orange and even stained white clothes that were in the washer, and after a filter change it does get better, but it seems to be sporadic. Mr. Walker confirmed they will continue to provide filters in the meantime until they can find a permanent solution. Mr. Willow confirmed it is a top priority.
- d. Fire Mitigation: Director Douglass discussed the Right of Way Project where they are trying to mitigate the right of way through the subdivision to allow firetrucks and emergency vehicles access to come in while residents can exit the subdivision if needed during an evacuation. They will mark the middle of the road 30' each way which will be the determined right of way. Director Douglass noted the District property was put on the free mitigation list to assess any roadside areas that may need mitigation. Director Douglass explained it is free of charge because they received a grant and the POA has helped to fund the project. Director Douglass suggested looking into the area around the pond and on 45 Silver Trail for the cost sharing option which would be a 40/60 split where the District would have to engage contractors and share the costs. The Board discussed how to identify the property markers near the pond. The Board authorized Director Douglass to proceed with the free assessment and receiving bids for the cost sharing option as long as there are no costs to the District.
- e. Trout Haven Exclusion Project: Mr. Walker reported he is still working with legal on a specific scope and project costs and will have an update at the next Board meeting.

- f. Website Upgrade: Mr. Walker reported they are still actively working on getting the website upgraded to the State's website hosting portal.

4. OPERATORS REPORT: Mr. Willow reported they purchased 5 loads of water due to the water main break. Bac-T samples were taken and were negative. Water filters are being changed weekly in Control Building B. Mr. Willow discussed an issue with the meter under Well #7 that was repaired and is now working. Mr. Willow confirmed that the water lines have been located to the best of their ability at this point. The Board discussed the water level in the tank.

5. NEW BUSINESS:

- a. June 11 water main break and shutdown: The Board discussed the incident where a contractor hit a water main and caused a break and a water service outage in the District. It took time to identify the valving system to shut the valve off which caused the water tank to drain. The pumps had to be turned off to repair the pipe and then recharged. Water had to be purchased to fill the tank and some of that water was lost due to the valve not being shut off correctly. Mr. Walker discussed what they have learned in response and how they will make sure they do not have this issue again. Mr. Groselle now has a good understanding of how the valving system works and access to the tools he needs in case Mr. Willow is not in the area. Mr. Walker explained there is a much better plan now for water main breaks moving forward. Director Brown asked about portable leak detection on pipes. Mr. Sommers explained leak detectors were critical with the old system with pipes leaking and breaking, but with a brand-new system built correctly with the right materials there will not be a critical need for leak detection. There is no issue with reusing the leak detectors the District already has, but there is not a high priority need to purchase more of them. Mr. Sommers also noted that tracer wire was not installed in the original pipes causing them to not be located, but all new pipe will have the tracing wire.

6. OTHER BUSINESS: There was no further discussion.

7. PUBLIC COMMENT: Mr. Winterer commented on the loggers for the valves and that it may not be necessary at this point, but for future considerations. He also thanked the Board and hopes everyone is staying safe.

8. ADJOURNMENT: Director Claassen moved to adjourn; seconded by Director Brown. Motion passed unanimously at 7:35 p.m.

Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL JUNE 17, 2020 MINUTES OF THE ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Allan Brown

Stan Claassen

Edith Coffman

Elizabeth Douglass

Lanny Hoel