

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

July 29, 2020 at 5:00 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 5:01 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: Director Douglass moved to approve the agenda; seconded by Director Claassen. Motion passed unanimously.

2. FINANCIAL MATTERS:

- a. Review and approval of Pay Application No. 1 for Native Sun Construction, Inc., and accompanying work change orders – AquaWorks DBO, Inc.: Mr. Walker discussed the capital improvement project history and the difficulties with main breaks. He noted things have improved in the last few weeks and they have identified phantom service lines that are causing problems. Construction is a little behind schedule, but crews are working to make up time. Work has been done on the wells which has increased the amount of water available into the tank, and at various times the tank has been up to 14 feet. In general, the project has not been very smooth and has caused some stress for those in the District, but things are getting better.

Mr. Walker discussed the Pay Application No. 1 for Native Sun Construction, Inc., and the accompanying work change orders. Mr. Groselle went over the Pay Application No. 1 in detail with the Board. He noted the summary of work completed and partial charges for storage on site. Mr. Groselle verified that he reviewed and confirmed the amount of pipe they have put in the ground and the 20 yards of rock removal. He pointed out a deduct the District is getting from Native Sun for water sold to them that was not included in the contract. He also noted a line break that drained the tank that was Native Sun's fault, so Mr. Walker put together a complete summary of costs the District incurred as a result of the break and billed them \$3,500 for it. Mr. Groselle discussed Change Order No. 102 that was for booster pumps that were installed in both control buildings that benefit the District by producing more water when there is a line break. Once the tanks are fuller, we can sell water to the contractor which will deduct from the total overall costs of the project. Change Orders 103 and 105 are for when the contractor hit unmarked services and main lines. Mr. Groselle noted that he worked with Native Sun to

determine the hours that were actually incurred. He noted Change Order 104 that was discussed at the last meeting for the tape upgrade from plastic tape to metallic tape that is able to be located and an electrical conduit for Well #10 that Native Sun will complete instead of Glacier, so that is a net zero change. Mr. Groselle reported the project is 22% completed and they have gone through 18% of the total contingency, but if you remove the \$7,741, they are only 15%. Mr. Sommers added that over the past month, the contractor has gotten faster at responding to the breaks so they anticipate the charges to fix these things will go down.

Director Douglass asked if the District would keep the booster pumps that were installed. Mr. Groselle confirmed the District owns them, but they will not be the permanent booster pumps and they will be used to get through the project. The Board discussed selling them after the project. Mr. Sommers noted they could be used if a booster pump fails and the District could find a use for them. Director Douglass asked if the contingency percentage is on track. Mr. Sommers explained they have used less contingency than progress, so the District is doing well. He noted there is nothing typical with this project, but there are still unknowns such as hitting rock moving forward. President Coffman asked if the booster pumps could be a cause of some of the leaks. Mr. Willow said they do not believe they are the cause and were caused by mistakes made by Native Sun. The pumps do not increase the pressure in the system, just the flow. The Board discussed wells #2 and #8, and the issues with well #8 not pumping. Mr. Groselle noted there may not be enough water in the ground to pump well #8 full. Mr. Walker discussed a potential leak in the system and that they performed an analysis that shows they are not gaining enough in the tank based on what they are pumping out of the control buildings. Mr. Willow and Mr. Groselle have been working on locating it, but it has not been found yet which adds to frustration in the project. The Board discussed door hangers that that are being used to notify customers of potential service interruptions or if their driveway will be affected by construction. The Board discussed the issues with the owner of Native Sun not communicating with his crew on repairs he made.

After further discussion, Director Douglass moved to accept the Pay Application No. 1 for Native Sun Construction, Inc., and accompanying work change orders; seconded by Directors Brown and Hoel. Motion passed unanimously.

Mr. Sommers discussed the history between Ground Engineering and Native Sun and noted they are not always in agreement. In the past few weeks, Native Sun has had difficulty achieving the 95% compaction that is required in the plans and specifications of the project. Mr. Groselle has been putting in a lot of time with Ground Engineering, but the options were not suitable for Native Sun, so they have proposed to bring in a second Geotechnical Engineer at their own expense to look at the project and do some tests. They came out and redid the tests and compaction, and the good news is that the tests passed. The new geotechnical engineer, RMG is working well with Native Sun so Mr. Sommers recommends switching to them from Ground Engineering. Mr. Sommers noted that RMG is slightly more expensive, but the amount of time savings and effort will make up for it. Mr. Walker noted that he has worked with RMG multiple times in the past, and he has very high trust in them. President Coffman requested they confirm that there will

be no legal issues with cancelling Ground Engineering’s contract. Mr. Walker confirmed they will follow all appropriate procedures. Director Claassen moved to approve the replacement of Ground Engineering with RMG; seconded by Director Brown. Motion passed unanimously.

- b. Authorization to submit 2019 Financial Statements: Director Douglass moved to accept the 2019 Audit and authorize President Coffman to sign the representation letter; seconded by Director Claassen. Motion passed unanimously.

3. OTHER BUSINESS: Director Douglass asked about what happened with the CenturyLink line that was cut. Mr. Groselle explained the line was marked in both instances, but the contractor accidentally cut the line when they were trying to expose it. Director Douglass asked if we could charge them. Mr. Groselle confirmed they had to pay CenturyLink the cost of the repairs.

4. PUBLIC COMMENT: There was no public comment.

5. ADJOURNMENT: Director Claassen moved to adjourn; seconded by Director Douglass. Motion passed unanimously at 6:10 p.m.

Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 29, 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