

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

August 19, 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
Jason Downie, Susemihl, McDermott &
Downie, P.C.
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: Director Douglass moved to approve the agenda; seconded by Director Brown. Motion passed unanimously.
- d. Review and Approval of the July 15, 2020 Board of Directors Meeting Minutes: Director Claassen moved to approve the July 15, 2020 Board of Directors Meeting Minutes; seconded by Director Douglass. Motion passed unanimously.

2. FINANCIAL MATTERS:

- a. Review of billing and collection status: Mr. Walker reported on billing and noted it was the first monthly billing cycle. There were a few customers who called with questions and commentary, and overall the new monthly billing has gone smoothly. There are 3 accounts in collection status ready to be turned off which is an improvement from last month's 11 accounts in collections.
- b. Review and accept the July 31, 2020 Unaudited Financial Status: Mr. Walker presented the Financials and noted they are on track with all income related items and they are at 95% received property tax revenue. Mr. Walker discussed expenses and noted postage and water testing expenses were slightly over budget due to reporting and additional lead testing, but they are not major items and the District is still 10% below projected expenses. The cash on hand is over \$575,000 and some of that is capital reserve for the bonds. The remaining \$235,000 is for operating cash which is well within budget. Director Douglass moved to accept the July 31, 2020 Unaudited Financial Statements; seconded by Director Hoel. Motion passed unanimously.
- c. Review and approve the Payment of Claims: Mr. Walker went over the new items on the Payables including K & A Excavating, a payment to Empire Title and the Board's participation in the July 29th meeting. Mr. Walker noted the Ground Engineering invoice for \$3,800 is their final invoice and they will hold their check until they receive funds from the draw request. Director Claassen moved to approve the Payment of Claims as presented. The Board discussed that Gold Rush only trucked in 2 loads of water and they

were charged for more than that. Mr. Willow explained his report is probably incorrect and he will review his report. Mr. Walker confirmed the invoices from Gold Rush are correct. The motion was seconded by Director Brown. Motion passed unanimously.

- d. 2019 Audit – submitted and posted on Website: Mr. Walker confirmed the 2019 Audit was submitted to the State on time and posted on the website for viewing.
- e. Ratify contract approval for RMG: Mr. Walker explained at the last meeting, the Board approved the RMG contract approval and now the Board needs to ratify the signature. Director Brown moved to approve the contract for RMG; seconded by Director Douglass. Motion passed unanimously.

3. OLD BUSINESS:

- a. Update on Construction Project
 - i) Schedule status – Michael Groselle: Mr. Groselle reported on the schedule status and noted they have installed 13,000 of the 19,000 feet of pipe that was authorized. They are close to on-track to complete the main line pipe the first week of September. There are 2 crews working on different tie-ins in the District. Glacier began work at Control Building B and the fiberglass buildings are scheduled to be delivered mid to late October but are hoping for sooner. Mr. Sommers discussed the County’s October 1st deadline due to the weather and noted they should be able to continue work on the District’s property into October. The Board discussed getting an updated schedule from the contractors to have a better idea of the timing. Mr. Groselle went over the wells and tank status and that the last 2 to 3 weeks have been running smoothly. President Coffman asked about a tank truck at Control Building B taking water last night. Mr. Groselle explained the contractor was most likely hauling water and they do those runs at night, so they do not have to do them during the day.
 - (a) Control Buildings
 - (b) Other changes to program
 - (c) Wells and tank status
 - ii) Engineering and Construction management contract update: Mr. Sommers discussed his contract with the District for the engineering and construction management. He initially estimated Mr. Groselle to be on-site 4 days a week, 32 hours per week. Now that the project has started, it requires more time to do the basic field services and Mr. Groselle has been spending 40 to 50 hours per week. He has also been asked to fill in for additional services, so Mr. Sommers wanted to advise the Board in advance that they will run out of budget before the project ends. Mr. Sommers estimated another 6 weeks of full-time service hours for Mr. Groselle, and another 4 or 5 weeks of part-time service hours, so basically 9 weeks at 35 hours. The Board discussed the primary reason for the excess of hours is for the water main breaks and unmarked, unknown utilities. Mr. Walker noted he has asked Mr. Groselle to perform out of scope tasks such as bucket tests and turning water back on to provide better service to the water customers, and he has been more than happy to help. The Board expressed appreciation for Mr. Groselle’s hard work. President Coffman discussed needing additional information and record of the extra services Mr. Groselle is performing to properly document the project.
 - iii) Budget update: Mr. Walker updated the Board on the project budget and went

over the current change orders and noted the contingency is at \$157,000. Director Claassen noted a \$7,500 credit that needs to be added. Mr. Walker discussed the anticipated expenditures. First is the AquaWorks additional expenses that were discussed and projected at \$42,000. Mr. Walker noted Gerka and Lady Lane that were not initially on the design plans because of the report done by JDS Hydro that showed Gerka as already replaced with newer pipe might be old pipe, so they should consider replacing it as well. Mr. Groselle believes they are done with rock, but there might be a little bit more. Added together, there is \$65,000 remaining in the contingency fund and an additional \$7,500 credit that was identified earlier. Mr. Groselle discussed meter pits and explained that 12 homes did not have locatable service lines so there was no curb stop. On those homes, the meters were installed in the homes or under the homes as a solution at the time. He noted it would be better to have meter pits done so that Mr. Willow is able to access the meters without entering the homes. The Board discussed the options surrounding the installation of those meter pits in detail.

iv) 222 Denwood Easement work around: Mr. Walker discussed the situation at 222 Denwood and explained an old plat that was redone identified a water line on the property line but the area is heavily forested so digging it up would be devastating to the environment there. He noted the District most likely has a prescriptive right on the line at this point. Mr. Walker explained the option of extending the line from where it terminates at Denwood down to Twin Rocks Road and through the right-away and connect to Genwood extension to Control Building B. This option would be a \$10,000 additional cost. He noted the right-away is a crowded area with fiberoptics and telephone cables which adds an additional expense. This option would be the cheapest alternative if the owner was willing to give the District an easement to travel inside the property line, but the owner is not willing to do that. Another option is to boar the line, but the cost would be \$20,000, or to use the Twin Rocks right-away but that would cost \$20,000 as well. The Board discussed the details of each option. After discussion, Director Claassen moved to authorize Native Sun and Mr. Kelly to complete the exploratory pothole work on Genwood to discover the quality of the line and to begin the design work to go around on Twin Rocks Road with approval from Teller County; seconded by Director Douglass. President Coffman confirmed this is just authorizing finding out more information and not the final decision on the work. Motion passed. President Coffman abstained from voting. Mr. Groselle and Mr. Sommers left the meeting.

- v) Other issues for discussion and update
 - (a) Soils engineering update
- b. Fire Mitigation project status: Director Douglass reported that they will be going through the properties with the owners tomorrow to decide what they want cut, and what they do not. Things have changed a bit with the County now and they would like the right-away completely cleared of trees. Director Douglass asked the Board if it would be okay to walk it with CUSP tomorrow and see what the options are, and to have the piece on 45 Silver Trail mitigated which is District property and would be at no cost. Director Douglass will report at the special board meeting in two weeks.
- c. Website update and review: Mr. Walker reported the new website is mocked up and ready for Board review.
- d. Trout Haven Exclusion project – memorandum from Jason Downie: Mr. Walker

discussed the report from Mr. Downie that outlines how the Trout Haven Exclusion project will work. He explained the only method to exclude property is to have the owners in Trout Haven file a petition and the Board is unable to do it on its own. The costs associated could be from \$250 to \$1,000 per property owner. He noted the District could do it cheaper than that if they were done together as a group. Mr. Walker discussed that if there were to be a refinance of the debt in 2030, they would also be responsible but not any additional debt after the exclusion. The Board discussed questions surrounding the service plan and the exclusion process.

- 4. OPERATOR'S REPORT:** Mr. Willow presented the Operator's Report. He noted he will revise the trucked water amount in his report to make sure the numbers are correct. Bac-T samples for the month were taken and negative. Well #6 is out of water and Well #8 is running out of water. Well #9 was repaired by Black Mountain and they discovered Well #3 was not pumping water because Native Sun did not reconnect the inlet pipe correctly but that was fixed. Mr. Willow clarified that Wells #6 and #8 will most likely recharge and start pumping water again this winter.
- 5. NEW BUSINESS:** Mr. Walker reported that the Fire Station is allowing meetings again, so the Board can choose to hold meetings there or continue via telephone and video conference.
- 6. OTHER BUSINESS:** There was no discussion.
- 7. PUBLIC COMMENT:** Mr. Winterer thanked the Board for allowing him to contribute to the conversation. Mr. Winterer commented that the communication out to the water customers about service interruptions has been excellent.

President Coffman moved to schedule a Special Board meeting for September 2, 2020 at 5:30 p.m. to discuss the next pay app and change orders and any other business that needs to be discussed; seconded by Director Douglass. Motion passed unanimously.

Mr. Walker commented that Mr. Groselle has been doing a fabulous job and working very hard on behalf of the District. The Board agreed.

- 8. ADJOURNMENT:** The Board adjourned the meeting at 8:15 p.m.

Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL AUGUST 19, 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