

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

September 16, 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
Michael 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 5:32 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 Brown moved to approve the Agenda; seconded by Director Douglass. Motion passed unanimously.
- d. Review and Approval of the July 29, 2020 Special Board of Directors Meeting Minutes: Director Douglass moved to approve the July 29, 2020 Minutes; seconded by Director Brown. Motion passed unanimously.
- e. Review and Approval of the August 19, 2020 Regular Board of Directors Meeting Minutes: Director Douglass moved to approve the August 19, 2020 Minutes; seconded by Director Brown. Motion passed unanimously.
- f. Review and Approval of the September 2, 2020 Special Board of Directors Meeting Minutes: Mr. Walker noted he has not distributed the September 2, 2020 Minutes, and he will have them ready for Board review at the next meeting.

2. FINANCIAL MATTERS

- a. Review of billing and collection status: Mr. Walker reported on billing and collection status. There were 11 shutoff notices this month, one is ongoing for a few months. 8 have been resolved and 3 are still outstanding. One of the accounts is \$1,800 and \$1,200 will be certified to the Treasurer next month. The Board discussed the outstanding accounts in detail.
- b. Review and accept the August 31, 2020 Unaudited Financial Status: Mr. Walker reported on the Financials and noted they have remained the same. The required Capital Reserve is \$237,000 and \$330,000 in available cash which is well more than a year's worth of operating expenses, so the cash position looks good. Expenditures are in alignment with the projections except for purchased water and election expenses which came in over budget. President Coffman moved to accept the August 31, 2020 Unaudited Financials; seconded by Director Douglass. Motion passed unanimously.
- c. Review and approve the Payment of Claims: Mr. Walker noted a correction to the Payables, under Key Bank credit card is K&A Excavating. The name on the item was just incorrect. The Board requested getting Mr. Downie's invoices in a timelier manner.

Director Douglass moved to approve the Payment of Claims; seconded by Director Hoel. Motion passed unanimously.

- d. 2020 budget process – establish date for Budget hearing and possible fee adjustments: Mr. Walker outlined the budget process and noted the Board will have a chance to review and make changes to the Budget at October’s board meeting and the Budget Hearing will be held at November’s board meeting where the budget will be adopted. The mill levy establishment and budget adoption must occur before December 15, 2020. Mr. Walker noted they are working on addressing the new monthly billing and capital improvement fee structures with the budget. Director Claassen discussed wanting a detailed report on what the District can expect in the upcoming years for maintenance on the system.

3. OLD BUSINESS

- a. Update on Construction Project
 - i) Schedule status – Michael Groselle: Mr. Groselle reported they completed the main line work on Banner and are now working on the residential connections and required testing. Lady Lane and Gerka work is planned for next week.
 - (a) Control Buildings COVID delay: Glacier crews are working on the site and pouring foundations at both control buildings. Black Mountain will be out late this week or early next week to begin drilling the new wells. Glacier has sent a time extension request for substantial completion to be November 30, 2020 due to the COVID delay and treatment buildings not being delivered until October. Mr. Groselle thinks the time extension is warranted and will not affect their ability to complete the project or harm the District. Mr. Groselle confirmed that all construction that could be impacted by weather will be completed before then. The Board discussed the issue with the water truck not having District authorization to go through private property. Mr. Walker will contact them to confirm they do not have authorization and request they do not cross private property.
 - (b) October 1 substantial completion – Kevin Walker: The Board discussed the substantial completion and that roughly 18,700 feet of linear pipe and 2,200 of 2” raw water pipe is projected to be in the ground.
 - (i) Project to be completed by October 1
 - (ii) Extra crews request for additional funds vs. date extension: Mr. Sommers explained it would be beneficial to the District to have a completion date for Native Sun of October 1, 2020 and that it will be on them to make sure the project is complete by the deadline or they could face the consequences outlined in their contract. After further discussion, the Board directed Mr. Walker to send a letter to Native Sun that explains the project completion deal as discussed.
 - ii) Budget update: Mr. Walker discussed the project budget and noted that the remaining contingency budget is \$124,551. He discussed expected change orders that may total \$21,000, additional tie-ins costs of \$10,000, and \$7,500 deduct from the Glacier contract. Mr. Groselle explained the reasons for the tie-ins are due to not completing all the pipe design. After adding up the known change orders, the remaining contingency is roughly \$75,000. Mr. Walker discussed other items the District could complete with the remaining funds such as potential tank

improvements. The Board thanked Mr. Sommers and Mr. Groselle as they left the meeting.

iii) Other issues for discussion and update: There was no additional discussion.

(a) Water purchases

(b) Extension of project

- b. Fire Mitigation project status: Director Douglass reported that CUSP has marked the trees and they have been getting bids from contractors.
- c. Website update and review – see request for review of website: Mr. Walker reported the website is complete and is awaiting Board review.
- d. Trout Haven Exclusion project – Directors Brown and Claassen: Mr. Walker outlined the Trout Haven Exclusion project and noted there are 99 lots who are outside the service area that could be served water from the District. Mr. Downie’s legal costs are estimated to be between \$5,000 and \$7,500, and they will most likely need to hire a water attorney and management with those costs estimated at \$9,500. Director Brown commented that he agrees with giving those people the option to depart the District and noted the 2 or 3 wells in Arabian Acres that are not using the service and if they should allow them to depart as well. President Coffman said if they are in the water service area, they should not be given the opportunity to exclude. The Board discussed the questions around the argument that those users pay on the bond, and they do not need to continue to pay. The Board also discussed what problems are created if some of the 99 decide to exclude and others do not. Mr. Walker will further research this issue for the Board and provide a more detailed summary to the Board at the next meeting.

4. OPERATOR’S REPORT: Mr. Willow reported that Control Building A pumped a total of 328,681 gallons, Control Building B pumped 187,739 gallons from August 8 through September 4. 8 loads of water have been trucked in. Bac-T samples were taken and were negative. Well #6 is still out of water and Well #8 is starting to dry up. Monthly meter reads were recorded and submitted. September Lead and Copper testing and DPH testing have both been submitted to the lab. Mr. Willow noted the previous issues with some of the meters turned out to be problems with faulty radios.

5. NEW BUSINESS: There was no discussion.

6. OTHER BUSINESS: There was no discussion.

7. PUBLIC COMMENT: There was no public comment.

8. ADJOURNMENT: Mr. Walker suggested tentatively scheduling a special meeting for September 30, 2020 at 5:30 p.m. The Board agreed. Director Douglass moved to adjourn; seconded by Director Brown. Motion passed unanimously at 7:22 p.m.

Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL SEPTEMBER 16, 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