

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

November 18, 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
Michael Groselle, AquaWorks
Lynn Willow, ORC

1. ADMINISTRATIVE MATTERS

- a. Call to Order & Declaration of Quorum: President Coffman called the meeting to order at 5:30 p.m.
- b. Confirm any Potential Conflicts of Interest: The directors confirmed there were no potential conflicts of interest.
- c. Discussion and Approval of the Agenda: Motion by Director Douglas, second by Director Claassen to approve the agenda as presented; motion passed unanimously
- d. Approval of the minutes of the Board meeting held on October 21, 2020: Motion by Director Claassen, second by Director Douglas to approve the minutes as presented; motion passed unanimously.

2. FINANCIAL MATTERS:

- a. Pay Application No. 2 (\$84,033) and Change order Number 2 (\$11,385.53) – Glacier Construction: Director Claassen requested additional details and information on the bollards. Director Claassen moved to approve Pay Application No. 2 subject to Mr. Groselle and Mr. Walker receiving adequate information on the actual costs of the bollards; seconded by President Coffman. Motion passed unanimously. Mr. Walker discussed the project budget and noted the current contingency is \$147,099.
- b. Status of Native Sun Change Order requests: Mr. Walker reported that he responded back to Native Sun in writing after the last meeting requesting more information and documentation to justify the amount. Mr. Walker has not heard back from Native Sun yet and he has not received any documentation. Mr. Groselle confirmed that he observed the work that was done by Native Sun. He explained they were completing work that was already paid for at the same time as the extra work to dig and they have not provided documents showing how they break the work apart.

Mr. Walker discussed the remaining project funds and what the Board would like to spend the money on. Mr. Walker noted they are scheduling a diver to come and assess the tank, so they could use funds on tank improvements. He also discussed using funds to frack the wells and bore the 2-inch line on Denwood. Those 3 items total roughly \$70,000 and should be acceptable under the contract.

- c. Review of billing and collection status: Mr. Walker reported that one of the payments that was certified to the Treasurer is going to be canceled due to the property selling, and all of the owed money will be paid at closing on Friday. The remaining 2 properties that were certified have the water turned off, and the other accounts that were scheduled to be turned off made payment on Tuesday. Overall, the collection status is good.
- d. Review and accept the October 31, 2020 Unaudited Financial Status: Mr. Walker discussed the unaudited financial status and noted that the District is doing quite well financially; tax and billing collections are good, more water was sold than last year, and the cash position is looking strong. Director Douglass moved to accept the October 31, 2020 Unaudited Financial Status; seconded by Director Brown. Motion passed unanimously.
- e. Review and approve the Payment of Claims: After review, Director Claassen moved to approve the Payment of Claims minus the Wallace Engineering invoice; seconded by Director Brown. Motion passed unanimously. President Coffman asked for clarification on the bond payment due December 1st to Zion Bank. Mr. Walker confirmed they will get the wire transfer done in the next couple days.
- f. Public Hearing to consider adoption of a resolution approving the 2020 amended budget, the 2021 budget, appropriation of funds for 2021 and establishment of the bond mill levy: President Coffman opened the Public Hearing. President Coffman expressed concern with only a \$5 reduction of the capital improvement fee. Mr. Walker discussed the proposed 2021 budget income and expenses in detail. He explained that he was being conservative by offering a \$5 reduction since the expenses are unknown. He would not recommend any more than a \$10 reduction of the capital improvement fee because there will be an extra \$40,000 in debt beginning in 2022. Mr. Walker noted this includes a \$20,000 contingency which may be more than they need. Director Douglass agreed with President Coffman and would prefer the \$10 reduction. The Board discussed the budget line items in detail. Director Claassen suggested reducing the \$20,000 contingency to \$15,000 to cover the \$10 reduction in the capital improvement fee. After no public comment, President Coffman closed the Public Hearing. Director Claassen suggested reducing the Dues, Fees and Subscriptions to \$2,000. Director Claassen moved to approve the Resolution for the 2020 Amended Budget and the 2021 Budget as amended; seconded by Director Douglass. Motion passed unanimously.

3. OTHER BUSINESS

- a. Trout Haven Exclusion Progress: Mr. Walker reported that the District's water attorney spoke to the State Engineer, and they provided information that states allowing the Trout Haven properties to be excluded will not impact the District relative to the requirements for augmentation, and they will not need to modify the augmentation plan based on the fact that more ground water will be coming out from a different location. That was the biggest concern and the State also confirmed the lots were platted prior to 1972 and they are eligible for an exempt well. There is a total of 133 platted lots, 34 are adjacent to the existing water lines, and 99 that are not affected by that. The total cost will be roughly \$7,000 to \$10,000. If only half of the 99 lots sign and pay the proposed \$150 fee per lot,

they would still be close to covering the costs. Director Brown noted there are a few platted lots that are combined into one large property, and if they will be charged more. Director Brown proposed that everyone who is not receiving water service from Arabian Acres be allowed to petition to exclude including the 6 vacant properties. Director Brown noted he spoke informally to roughly 12 parties who would be interested in petitioning to exclude. Mr. Winterer confirmed with the Board that if a party who is adjacent to the water line excludes from the District, could they hook up to the water service line in the future; they would have to request the Board to be included in the District and pay the \$8,000 tap fee. Director Brown requested Board approval before moving forward with the petitions. President Coffman asked if they would need to modify the Rules and Regs because of the rule stating if you are within 100 feet of the water line you cannot drill a well. Mr. Walker explained they will not have to change them if they exclude from the District since they are no longer subject to the District's rules and regulations. Director Brown noted the language on the petition is very clear that if they exclude from the District, they will still be obligated to pay on the bond debt until 2030. The Board members all confirmed they agree with moving forward with the exclusion process. President Coffman requested that the Board review the draft petition. Mr. Walker confirmed the petition that was sent today was approved by legal counsel, Mr. Downie.

4. PUBLIC COMMENT: Mr. Winterer asked about not redrilling well #3. Mr. Walker confirmed they have decided to not redrill well #3R. Mr. Willow explained it could have adverse effects on well #9 and the amount of water based on the close proximity. Mr. Winterer asked about the status of the control buildings. Mr. Willow confirmed that Control Building B is 90% done and they are waiting for the new Control Building A to arrive from the factory. Mr. Winterer requested the meetings be posted on the calendar earlier.

5. ORC REPORT: Mr. Willow reported that 0 loads of water were trucked in and Bac-T samples were taken and were negative. Meter reads were read, recorded, and submitted. Control Building B is offline in preparation for the new building. Daniwood was flushed two times due to the water issue that is occurring in that location. Mr. Willow noted that since the main line replacement, Control Buildings A and B have pumped 130,822 less gallons compared to last month. Mr. Willow believes this is because water loss and leakage have been significantly reduced due to the replacement of the water lines and the capital improvement project.

6. ADJOURNMENT: Director Claassen moved to adjourn; seconded by Director Douglass. Motion passed unanimously at 7:16 p.m.

Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 18, 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