

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

July 15, 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
Braden Hammond, BiggsKofford
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 5:34 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: Mr. Walker added an Agenda item under Financial Matters 2.a. to review the Audit. Mr. Walker tabled Agenda item 3.e. for next month. Director Brown moved to approve the Agenda as modified; seconded by Director Claassen. Motion passed.
- d. Review and Approval of the June 17, 2020 Board of Directors Meeting Minutes: Director Douglass moved to approve the June 17, 2020 Board of Directors Meeting Minutes; seconded by President Coffman. Motion passed unanimously.

2. FINANCIAL MATTERS:

- a. Audit Review: Mr. Hammond presented the Audit review to the Board and noted they are slightly behind due to COVID-19, but they are expecting to have it issued by the deadline of July 31, 2020. He noted a decrease in revenues overall due to water metering issues that occurred at the end of last year. Otherwise, the financials look comparable to the year before, so they are not expecting any significant surprises. The Board discussed distributing the Draft Audit once it is ready to the Board and sign it electronically with the option of holding a Special Board Meeting if needed before the deadline. Director Douglass asked about the decrease in revenue. Mr. Walker explained the issues with water meter reads in November 2019 that led to the decrease in revenues. The Board agreed to have the draft sent electronically.
- b. Review of billing and collection status: Mr. Walker reported on the collection status and noted 10 delinquent accounts but believes the majority should be resolved prior to water shut-off tomorrow.
- c. Review and accept the June 30, 2020 Unaudited Financial Status: Mr. Walker presented the unaudited financials and noted property tax revenue is slightly behind from last year due to the extensions from Teller County due to COVID-19. Overall, there are no major issues and the financials are standard. President Coffman moved to accept the June 30, 2020 Unaudited Financial Status; seconded by Director Douglass. Motion passed unanimously.

- d. Review and approve the Payment of Claims: Mr. Walker noted a couple minor changes to the payment of claims. After review, President Coffman moved to approve the Payment of Claims with the additional \$140 for Black Mountain Pump Service; seconded by Director Claassen. Motion passed unanimously.

3. OLD BUSINESS:

- a. Final approval of Resolution to Modify Fees and Charges for Monthly Billing: Mr. Walker explained the Resolution will modify the fees and charges to match up with monthly billing that will begin August 1st. The Board discussed the current fees and reviewing the possibilities of lowering the fees when the 2021 budget is discussed in October. Director Claassen moved to approve the Resolution to Modify Fees and Charges for Monthly Billing; seconded by Director Douglass. Motion passed unanimously.
- b. System Status
 - i. Recent leak at Wells 2 and 8: Mr. Groselle reported on the recent leak and noted the wells are currently operating. There was a large leak found in Well 2 from an old curb stop that had rotted, so when the pump turned on it just pumped water into the ground. The parts to make the connection will be delivered tomorrow morning and the electrical is all working again on the wells. Mr. Groselle believes both wells will be fully repaired by tomorrow early afternoon. Today, they hit two unmarked service lines that were not locatable. They shut the valves and system as needed to make the repairs. He noted the difficulties with the older system and locating certain lines and pointed out these lines do not feed to a house and they are just capped in the ground. Mr. Groselle explained the issue is that the existing system does not allow them to isolate the breaks along Donzi without closing the tank and shutting off the system pressure. He noted they are past that problem area and they should not need to close the tank . Mr. Sommers discussed in detail the locating of the buried infrastructure as part of the construction project. He went over the challenges with the abandoned water service lines that have been unlocatable. The Board discussed the recent water service outages and how to anticipate or set expectations moving forward. The Board discussed communicating directly with those customers who are affected by water service outages when it is not a system wide outage. The customers are also notified of construction in their area that could require water to be turned off by a door hanger.
 - ii. Well Output and Tank Report: The Board discussed reading the meters and pumps to help better monitor when there are leaks. Director Claassen discussed researching the pumps further to find out if they need to be replaced soon. Mr. Sommers and Mr. Groselle went over the option of hiring Black Mountain to do a maintenance check on the wells and pumps. Mr. Walker suggested having Mr. Willow put together a maintenance schedule for them.
- c. Update on Construction Project
 - i. Schedule Status: Mr. Groselle reported on the construction schedule and noted they have been working along Donzi and have gotten from the tank down to Silbani.

The Board discussed how the recent leaks and repairs were significant setbacks to the schedule. Mr. Sommers explained in similar situations, clients have not charged liquidated damages or expenses for going past the deadline of October 1, 2020 for legitimate time extensions.

- ii. Communication Plan –Use of FaceBook and the website were outlined by Mr. Walker.
- iii. Change Orders
 - a) Approval Process: Mr. Walker went over the Change Orders in detail with the Board. Mr. Walker discussed the need for establishing a process to authorize the small change orders quickly. President Coffman expressed concerns with giving this authority due to the costs associated for the District. After further discussion, the Board agreed to authorize Mr. Walker, Mr. Groselle and Mr. Sommers to approve small change orders with prompt notification to the Board by email on the details of the change order.
 - b) Approved Orders – actual change orders will be submitted to the Board at the next meeting.
- iv. Contractor Water Source Concept: Mr. Groselle reported that as of now they are no longer seeking water from the District and they will haul it in for the remainder of the project.
- v. Other issues and progress - none

- d. Fire Mitigation: Director Douglass reported she walked the properties with CUSP and marked them for the roadway mitigation program. Next, CUSP will bring out contractors to provide bids to mitigate, so the project is moving along.
- e. Trout Haven Exclusion Project: Mr. Walker reported that the attorney working on this is sick and quarantining at home, so the Board will review this item next month

4. OPERATORS REPORT: Mr. Walker noted Mr. Willow was unable to attend the meeting due to an emergency at another location, but the Operator’s Report was included in the Board packet. President Coffman expressed concerns with tank level steadily decreasing. Mr. Walker explained it could be from the leak and noted they had to turn it off twice today, but he is monitoring the tank closely.

5. NEW BUSINESS: There was no further discussion.

6. OTHER BUSINESS: There was no further discussion.

7. PUBLIC COMMENT: President Coffman opened the meeting to public comment. Mr. Winterer thanked Director Douglass for the timely notification of water issues on Facebook and the website. President Coffman suggested keeping a couple 5-gallon buckets of water in case of emergency during these water break issues.

Mr. Stephan Weiss asked why they are continuing to pay the capital improvement fees when it could be beyond the affordability in the area. He also asked why they are paying them when it was indicated in 2015 that fees would be removed in 2018. Mr. Walker explained the

operating budget and cash flow model analysis that was done a few months ago. He noted they might be able to consider a decrease of the fee during the budget discussion for next year. Director Claassen noted the pump assessment and if they need to replace it could cost \$5,000 to \$10,000 per pump. They are also planning on replacing 2/3 of the distribution lines, so that is 10,000 feet of line that are not going to be replaced and valves still need to be inspected. He added that right now we do not have the information to budget for what might need to be spent in the next two years replacing pumps and valves. Mr. Walker noted the Long-Term Capital Plan is available on the website.

Mr. Ray thanked the Board for working on the quality issue, and with the new filters he has not had any major issues for almost a month. He also appreciates the Board considering the reduction of fees if feasible to do so.

8. ADJOURNMENT: Director Douglass moved to adjourn; seconded by Director Claassen. Motion passed unanimously at 7:30 p.m.

Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 15, 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