

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

February 24, 2021 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
Rebecca Hardekopf, WSDM
Members of the Public

1. ADMINISTRATIVE MATTERS

- a. Call to Order & Declaration of Quorum: President Coffman called the meeting to order at 5:36 p.m. and confirmed a quorum was present.
- b. Confirm any Potential Conflicts of Interest: The directors confirmed there were no potential conflicts of interest.
- c. Discussion and Approval of the Agenda: Mr. Walker requested the Board postpone agenda items 2.d, 2.e, and 2.f. due to AquaWorks not being at the meeting and an update was not prepared. Mr. Walker requested the Board add agenda item 2.g. Discussion on Bill.com. Director Claassen moved to approve the Agenda as amended; seconded by Director Brown. Motion passed unanimously.
- d. Review and approve minutes from January 20, 2021 Regular Board meeting: Director Claassen asked about an update on the issue with the level control on the tank that was discussed at the last meeting. Mr. Walker confirmed the new system will be connected to the existing system and Mr. Willow can provide more detail. Director Claassen moved to approve the January 20, 2021 Regular Board meeting minutes; seconded by Director Brown. Motion passed unanimously.

2. FINANCIAL MATTERS:

- a. Review of billing and collection status: Ms. Hardekopf presented the billing and collection status. 8 reminder letters and 3 ongoing letters were sent, and one of the three made a payment and water has been turned back on. Warning letters will be sent on Monday.
- b. Review and accept the January 31, 2021 Unaudited Financial Status: Mr. Walker presented the January 31, 2021 Unaudited Financial Status and noted the checking account includes \$350,000 that will be used for Glacier's final payment as well as the remaining payment to Native Sun. Mr. Walker explained the \$237,000 is for the required reserve account for the loans and bonds that was established last year. Director Brown moved to accept the January 31, 2021 Unaudited Financial Status; seconded by Director Claassen. Motion passed unanimously.
- c. Review and approve the Payment of Claims: Mr. Walker presented the Payment of Claims. The Board discussed the SDA membership payment that is required for the insurance. After review and discussion, Director Claassen moved to approve the Payment of Claims as presented not including the capital fund; seconded by Director Brown. Motion passed unanimously.

- d. Consider approval of Glacier Construction Pay Application: The Board postponed this item.
- e. Consider approval of Glacier Construction Change Order: The Board postponed this item.
- f. Consider Substantial Completion for Glacier and Native Sun: The Board postponed this item.
- d. Update on Native Sun change orders – May require an executive session: Mr. Walker reported to the Board that Native Sun offered to settle for \$80,000 and the last offer sent to them was for roughly \$72,000. Mr. Walker recommended the Board enter into executive session at the end of the meeting to provide further instruction and discuss negotiations.
- e. Consider approval additional funds for AquaWorks Hourly service contract: Mr. Walker requested that the Board postpone this item until next meeting.
- f. Construction Project budget update and future steps: Mr. Walker discussed the construction project update and noted the control buildings were supposed to come with 2” insulation but only came with 1” so they are currently adding the 1” of insulation and it will be at no expense to the District. The Board discussed the level of finish and if the final product will be sufficient with the insulation being added after the fact. Director Claassen asked about the leaks and the frozen meters. Mr. Walker confirmed the leaks and frozen meters were from both the old and new system.
- g. Discussion on Bill.com: Ms. Hardekopf discussed Bill.com and how it is a software that allows payables to be done remotely. She noted they have implemented this with three other districts, and it has been very helpful. She explained how payables will be uploaded to a Dropbox folder for remote viewing at any time. Invoices will be uploaded into Bill.com which then automatically sends an email to the district manager and designated board member or Treasurer for review and approval. Ms. Hardekopf explained that a dollar limit can be set for checks that go through Bill.com and it can be easily customized where some checks are sent manually. The Board requested additional information and discussion before deciding.

3. OTHER BUSINESS

- a. Trout Haven Exclusion Progress: Mr. Walker reported on the Trout Haven Exclusion progress. As of last week, there are 25 owners and 37 lots. The Board discussed extending the deadline a few days to allow for the last few to come in and corrections. Mr. Walker noted the Board will review and approve the petitions at the next Board meeting.

4. OPERATOR’S REPORT:

- a. Discussion of recent freeze issues and meters: Mr. Walker discussed the recent freeze issues and meters in the last two weeks that started with very cold temperatures. He discussed that they have had to haul 13 loads of water so far due to leaks and the tank has been run down at times to less than 2 feet. Communication was sent out to customers to look for leaks which provided good information and additional frozen meters were identified. Mr. Walker explained that after further research done today, they determined there is not a major leak but production issues with the wells. 5 of the 9 wells are not

producing any water, so Mr. Willow is investigating the pumps and lines to see what the problem is. Mr. Walker discussed contingency plans if the winter storm creates problems for the roads and water delivery. President Coffman discussed leaks and frozen pipes that were discovered in the area. The Board discussed concerns with so many new meters freezing and ways to prevent this from happening again such as checking the compaction in the meter pit, and other possible defective installations. Mr. Winterer noted the dirt in his meter pit has settled 6 to 10 inches since installation. Mr. Walker recommended documenting and checking every meter pit. Director Douglass noted a manhole on Lady Lane started sinking in slightly during the Fall and was possibly retaining moisture. Mr. Walker confirmed that item would be eligible under warranty with Native Sun and will check with legal counsel on appropriate notice. The Board discussed needing a backup ORC employee to allow the District to have coverage when Mr. Willow is not available. Director Claassen noted that coverage and backup is included and required in Mr. Willow's contract.

5. PUBLIC COMMENT: President Coffman opened the meeting for public comment. Mr. Winterer commented that the Board should consider adding insulation to all of the meter pits to be on the safe side. He asked about water pump monitors that determine how much water is flowing through the pipes. Mr. Walker explained they may be able to retrofit specific areas. Mr. Winterer also commented that there may be more hours required of Mr. Willow due to the new system. Mr. Winterer thanked the Board for their hard work during this stressful time.

6. EXECUTIVE SESSION: Director Douglass moved to enter into Executive Session pursuant to §24-6-402(4)(e), C.R.S., determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators in order to respond to the most recent Native Sun counteroffer for settlement; seconded by Director Hoel. Motion passed unanimously at 7:15 p.m. President Coffman moved to come out of Executive Session; seconded by Director Hoel. Motion passed unanimously at 7:27 p.m.

7. ADJOURNMENT: Director Claassen moved to adjourn the meeting; seconded by Director Brown. Motion passed unanimously at 7:27 p.m.

Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL FEBRUARY 24, 2021 MINUTES
OF THE ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD OF
DIRECTORS SIGNING BELOW:

Allan Brown

Stan Claassen

Edith Coffman

Elizabeth Douglass

Lanny Hoel