ARABIAN ACRES METROPOLITAN DISTRICT
c/o Walker Schooler District Managers
614 N. Tejon St.
Colorado Springs, CO 80903

REGULAR BOARD MEETING
AGENDA AND NOTICE
WEDNESDAY, AUGUST 18, 2021
5:30 PM

Please join my meeting from your computer, tablet or smartphone.
https://global.gotomeeting.com/join/800588117
You can also dial in using your phone.
United States: +1 (872) 240-3212
Access Code: 800-588-117

NOTICE IS HEREBY GIVEN that a Meeting of the Board of Directors of ARABIAN ACRES METROPOLITAN DISTRICT, Teller County, Colorado has been scheduled pursuant to emergency rules and regulations for Wednesday, August 18, 2021 at 5:30 p.m. via tele/videoconference for the purpose of addressing those matters in the Agenda set forth below.

Board of Directors / Term Expires
Allan Brown, 2022
Stan Claassen, 2022
Edith Coffman, 2023
Elizabeth Douglass, 2023
Lanny Hoel, 2023

Lynn Willow, ORC
Kevin Walker, WSDM
Rebecca Hardekopf, WSDM
Kristina Kulick, WSDM

1) ADMINISTRATIVE MATTERS

a) Call to Order & Declaration of Quorum
b) Confirm any Potential Conflicts of Interest
c) Discussion and Approval of the Agenda
d) Consider approval of Meeting minutes from July 21, 2021

2) FINANCIAL MATTERS

a) Review of Billing and Collection Status
b) Review and Accept the July 31, 2021 Unaudited Financial Status
c) Review and Approve the Payment of Claims

3) MANAGEMENT MATTERS

a) Update on Exclusion Process with Teller County
b) Construction Update
   i) Warranty Claims
   ii) Remaining Projects
      (1) Budget
      (2) Process
   iii) Approval of Engineer for water tank project (proposal and contract to follow)
c) Board Vacancies
d) Updated Insurance Policy

4) OPERATIONS

a) Water Loss Report
b) ORC Report

5) PUBLIC COMMENT

Comments will be limited to 3 minutes. Please remain respectful of the Board of Directors as well as of your fellow residents.

6) ADJOURNMENT

Comments will be limited to 3 minutes. Please remain respectful of the Board of Directors as well as of your fellow residents.

THE NEXT REGULARLY SCHEDULED MEETING IS SCHEDULED FOR WEDNESDAY, SEPTEMBER 15, 2021 AT 5:30 PM.

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING
ARABIAN ACRES METROPOLITAN DISTRICT
July 21, 2021 at 5:30 P.M.
Via Telephone and Video Conference Call

In attendance were Directors:
Allan Brown
Edith Coffman
Elizabeth Douglass
Lanny Hoel (arrived late)
Stan Claassen (arrived late)

Also in attendance were:
Kevin Walker, WSDM
Rebecca Hardekopf, WSDM
Lynn Willow, ORC
Jeff Mandarich, BiggsKofford
Patricia Spencer, BiggsKofford
Members of the Public

1. ADMINISTRATIVE MATTERS

a. Call to Order & Declaration of Quorum: President Coffman called the meeting to order at 5:31 p.m. and confirmed a quorum was present.
b. Confirm any Potential Conflicts of Interest: The Directors each confirmed there were no potential conflicts of interest.
c. Discussion and Approval of the Agenda: Director Brown moved to approve the Agenda as presented; seconded by Director Douglass. Motion passed unanimously. Director Hoel joined the meeting.
d. Consider Approval of Meeting Minutes from May 19, 2021 and June 16, 2021: The Board agreed to delay the approval of the Minutes to allow Director Douglass time to review. After review, Director Douglass moved to approve the May 19, 2021 Meeting Minutes; seconded by Director Hoel. Motion passed unanimously. Director Douglass moved to approve the June 16, 2021 Meeting Minutes; seconded by Director Brown. Motion passed unanimously.

2. FINANACIAL MATTERS

a. Review and Approval of Draft Audit: Mr. Walker introduced the Auditor, BiggsKofford who performed the District Audit this year. Mr. Mandarich presented the Draft Audit to the Board. He noted they anticipate issuing a clean opinion with no significant issues found. Mr. Walker noted that legal counsel will review the Draft Audit. After review, Director Brown moved to approve the Draft Audit as presented; seconded by Director Hoel. Motion passed unanimously.
b. Review of Billing and Collection Status: Mr. Walker presented the billing and collection status. There is one outstanding non-payer who has services turned off, and one customer who is disputing their bill, and 14 late payers from last month who have received late notices. Director Claassen joined the meeting.
c. Review and Accept the June 30, 2021 Unaudited Financial Status: Mr. Walker presented the June 30, 2021 Unaudited Financial Status and noted the District continues to have a strong cash position which may lead to a possible reduction in the capital improvement fee next year. Director Brown moved to approve the June 30, 2021 Unaudited Financial Status as presented; seconded by Director Douglass. Motion passed unanimously.

d. Review and Approve the Payment of Claims: Mr. Walker presented the Payment of Claims. The Board discussed the price of the act pack replacement. Mr. Walker will further research with Glacier on why the price was so high and will dispute if needed. The Board requested that Mr. Willow find out why the part needed to be replaced and if it is covered under warranty, and if it was lightning what kind of protection can be used to prevent it happening again. The Board discussed the lightning strike at wells #4 and #8 and that it can be covered by insurance. After review, Director Douglass moved to approve the Payment of Claims; seconded by Director Brown. Motion passed unanimously.

3. MANAGEMENT MATTERS

a. Update on Exclusion Process with Teller County: Mr. Walker updated the Board on the Exclusion Process and noted a letter from Teller County requesting additional data. He is continuing to work through the process and hopes to have the submittal done by next week. Mr. Walker will provide the submittal to the Board for review.
b. Construction Update
   i) Warranty Claims: Mr. Walker reported a warranty claim was submitted to Native Sun last month for the leak in June. Native Sun was responsive and made the repairs. Mr. Walker noted the cause of the leak in June was failure that occurred at the valve and the connection of the tie-in due to pressure.
   ii) Remaining Projects
      (1) Budget: Mr. Walker reported there is $49,000 left in the budget.
      (2) Process: They have received 3 bids for the tank repair which are around $21,000 to $30,000 which does not include keeping the system running during repairs which would require a temporary 10,000-gallon tank. Mr. Walker will provide a work order and a contract next month to start in September. Mr. Walker estimates there will be a remaining $15,000 to $20,000 after the tank project.
c. Insurance Policy Update: Mr. Walker reported the insurance policy on the buildings was increased to $300,000 each from $100,000. He has requested a quote from the insurance company to increase coverage which he will provide to the Board at the next meeting.

4. OPERATIONS:

a. Water Loss Report: Mr. Walker is still working on gathering data for the monthly water loss report and will provide an update at the next meeting.
b. ORC Report: Mr. Willow presented the ORC Report. He noted 18 loads of water were purchased due to the leak in June. He confirmed he is continuing to work on insulating the meter pits. The Board discussed organizing and coordinating the shut-off notices, final bill reads, and other requests for Mr. Willow so they can be done when he is in the District. President Coffman asked about a backup option for Mr. Willow. Mr. Walker explained they have used someone in the District a few times, but it is difficult to find someone when you cannot provide regular hours. Mr. Willow said he has worked with other Districts in the area before and is currently looking for someone.

5. PUBLIC COMMENT: There was no public comment.

6. **ADJOURNMENT:** Director Douglass moved to adjourn at 7:00 PM; seconded by Director Claassen. Motion passed unanimously.

Respectfully Submitted,
Walker Schooler District Managers

_____
By: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 21, 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

Arabian Acres Metropolitan District
Balance Sheet
As of July 31, 2021

	Jul 31, 21
ASSETS	
Current Assets	
Checking/Savings	
ECB Checking	338,433.99
2-1000 · COLOTRUST 4001	133,003.04
2-1020 · COLOTRUST Reserve 8002	31,978.64
3-1000 · COLOTRUST-Capital Reserve 8003	237,489.27
Total Checking/Savings	740,904.94
Accounts Receivable	
1-1200 · Accounts Receivable	31,069.15
Total Accounts Receivable	31,069.15
Other Current Assets	
1-1300 · Property Tax Receivable	9,195.60
Total Other Current Assets	9,195.60
Total Current Assets	781,169.69
Fixed Assets	
1-1850 · Construction in Progress	2,400,793.62
Total Fixed Assets	2,400,793.62
Other Assets	
3-1500 · Capital Assets	1,262,622.90
3-1520 · Equipment	702,640.55
3-1540 · Land	101,000.00
3-1560 · Water Rights	172,588.00
3-1590 · Accumulated Depreciation	-514,745.00
Total Other Assets	1,724,106.45
TOTAL ASSETS	**4,906,069.76**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
1-2000 · Accounts Payable	28,394.71
Total Accounts Payable	28,394.71

Arabian Acres Metropolitan District
Balance Sheet
As of July 31, 2021

	Jul 31, 21
Other Current Liabilities	
1-2050 · Retainage Payable	107,100.00
1-2020 · Accrued Interest	9,885.30
2-2200 · Deferred Revenue-Property Taxes	9,195.60
Total Other Current Liabilities	126,180.90
Total Current Liabilities	154,575.61
Long Term Liabilities	
DWRF 1.5 Million Loan	1,097,164.07
2-2400 · 2007 Bonds Payable	1,040,000.00
2-2440 · Natural Rural Water	41,726.72
3-4090 · CWCB Meter Loan 400K	194,739.20
Total Long Term Liabilities	2,373,629.99
Total Liabilities	2,528,205.60
Equity	
30000 · Opening Balance Equity	215,933.51
32000 · Retained Earnings	2,074,155.60
Net Income	87,775.05
Total Equity	2,377,864.16
TOTAL LIABILITIES & EQUITY	**4,906,069.76**

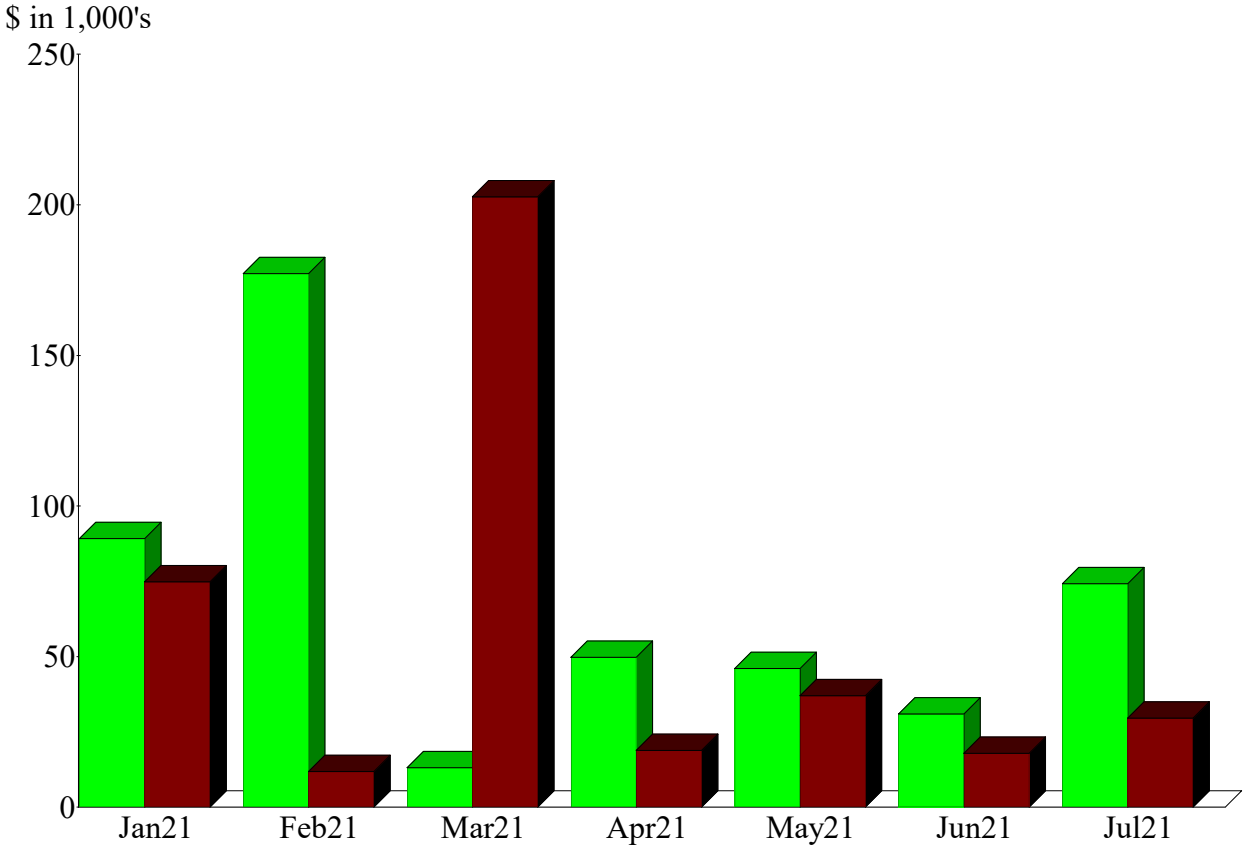
Arabian Acres Metropolitan District
Profit & Loss Budget vs. Actual
January through July 2021

	TOTAL				
	Jul 21	Jan - Jul 21	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
1-4000 · Capital Improvement Fees	9,471.34	58,748.23	120,000.00	-61,251.77	48.96%
1-4030 · Late Fee Revenue	371.65	1,136.67	0.00	1,136.67	100.0%
1-4050 · Water Service Fee	9,322.30	64,961.90	107,503.00	-42,541.10	60.43%
1-4080 · Water Usage	9,063.47	54,025.12	80,000.00	-25,974.88	67.53%
1-4090 · Trout Haven Exclusion Deposits	0.00	8,400.00	0.00	8,400.00	100.0%
2-4400 · Property Tax Revenue	37,443.39	113,647.40	122,843.28	-9,195.88	92.51%
2-4450 · Specific Ownership Tax	1,296.83	6,818.05	8,599.03	-1,780.98	79.29%
2-4460 · Restitution	0.00	166.20	0.00	166.20	100.0%
2-4470 · State Senior/ Veteran Funds	0.00	6,507.19	0.00	6,507.19	100.0%
3-4000 · Grant Funds					
3-4110 · DOLA Grant $1 Million	7,250.10	166,133.34	0.00	166,133.34	100.0%
3-4000 · Grant Funds - Other	0.00	0.00	0.00	0.00	0.0%
Total 3-4000 · Grant Funds	7,250.10	166,133.34	0.00	166,133.34	100.0%
Total Income	74,219.08	480,544.10	438,945.31	41,598.79	109.48%
Gross Profit	74,219.08	480,544.10	438,945.31	41,598.79	109.48%
Expense					
1-6020 · Bank Service Charges	0.00	7.00	300.00	-293.00	2.33%
1-6050 · District Management-Operating	2,908.37	20,358.59	43,000.00	-22,641.41	47.35%
1-6060 · Dues Fees and Subscriptions	26.40	928.71	2,500.00	-1,571.29	37.15%
1-6065 · Engineering O&M	0.00	0.00	3,000.00	-3,000.00	0.0%
1-6080 · Insurance Expense-Operating	11,048.00	11,048.00	8,000.00	3,048.00	138.1%
1-6090 · Office Supplies	0.00	0.00	200.00	-200.00	0.0%
1-6100 · Postage and Copies-Operating	112.22	2,323.14	2,000.00	323.14	116.16%
1-6110 · Audit	7,100.00	7,100.00	8,000.00	-900.00	88.75%
1-6120 · Directors Fees	500.00	4,400.00	7,500.00	-3,100.00	58.67%
1-6130 · Legal					
1-6135 · Trout Haven Exclusions	0.00	1,768.25	0.00	1,768.25	100.0%
1-6130 · Legal - Other	0.00	2,613.75	15,000.00	-12,386.25	17.43%
Total 1-6130 · Legal	0.00	4,382.00	15,000.00	-10,618.00	29.21%
1-6150 · Water Billing	675.00	4,725.00	8,000.00	-3,275.00	59.06%
1-6160 · Other Expense	0.00	1,260.44	0.00	1,260.44	100.0%
1-6170 · Chemicals and Supplies	605.00	605.00	2,000.00	-1,395.00	30.25%
1-6180 · ORC Fees-Operating	2,807.50	20,762.50	48,000.00	-27,237.50	43.26%
1-6190 · Repairs and Maintenance	5,074.66	23,998.53	15,000.00	8,998.53	159.99%
1-6210 · Utilities	976.74	6,434.40	12,500.00	-6,065.60	51.48%
1-6220 · Water Distribution Purchases	0.00	14,300.00	10,000.00	4,300.00	143.0%
1-6230 · Water Testing	21.00	499.00	7,000.00	-6,501.00	7.13%
2-6240 · Treasurer Collection Fee	1,123.30	3,409.97	1,842.65	1,567.32	185.06%
3-6000 · Capital Outlay					
3-6002 · DOLA 1 Million Grant	0.00	109,812.45	0.00	109,812.45	100.0%
3-6000 · Capital Outlay - Other	-5,000.00	114,678.16	0.00	114,678.16	100.0%
Total 3-6000 · Capital Outlay	-5,000.00	224,490.61	0.00	224,490.61	100.0%

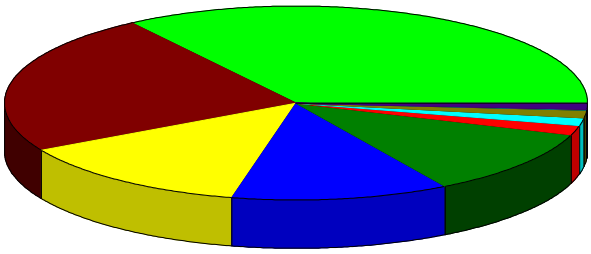
Arabian Acres Metropolitan District
Profit & Loss Budget vs. Actual
January through July 2021

	TOTAL				
	Jul 21	Jan - Jul 21	Budget	$ Over Budget	% of Budget
3-6050 · District Management	1,000.00	7,000.00	12,000.00	-5,000.00	58.33%
3-6100 · Postage and Copies	51.35	87.95	0.00	87.95	100.0%
3-6180 · ORC Fees	500.00	3,500.00	0.00	3,500.00	100.0%
63400 · Interest Expense	0.00	4,425.84	0.00	4,425.84	100.0%
Total Expense	29,529.54	366,046.68	205,842.65	160,204.03	177.83%
Net Ordinary Income	44,689.54	114,497.42	233,102.66	-118,605.24	49.12%
Other Income/Expense					
Other Income					
1-7020 · Interest Income - Operating	0.00	0.00	6,000.00	-6,000.00	0.0%
2-7000 · Interest Income	0.00	105.20	2,500.00	-2,394.80	4.21%
Total Other Income	0.00	105.20	8,500.00	-8,394.80	1.24%
Other Expense					
2-8000 · Bond Interest	0.00	25,790.00	51,580.00	-25,790.00	50.0%
2-8050 · National Rural Water Interest	106.42	787.57	1,288.89	-501.32	61.11%
2-8080 · Trustee Fees	0.00	250.00	500.00	-250.00	50.0%
Total Other Expense	106.42	26,827.57	53,368.89	-26,541.32	50.27%
Net Other Income	-106.42	-26,722.37	-44,868.89	18,146.52	59.56%
Net Income	**44,583.12**	**87,775.05**	**188,233.77**	**-100,458.72**	**46.63%**

Income and Expense by Month
January through July 2021



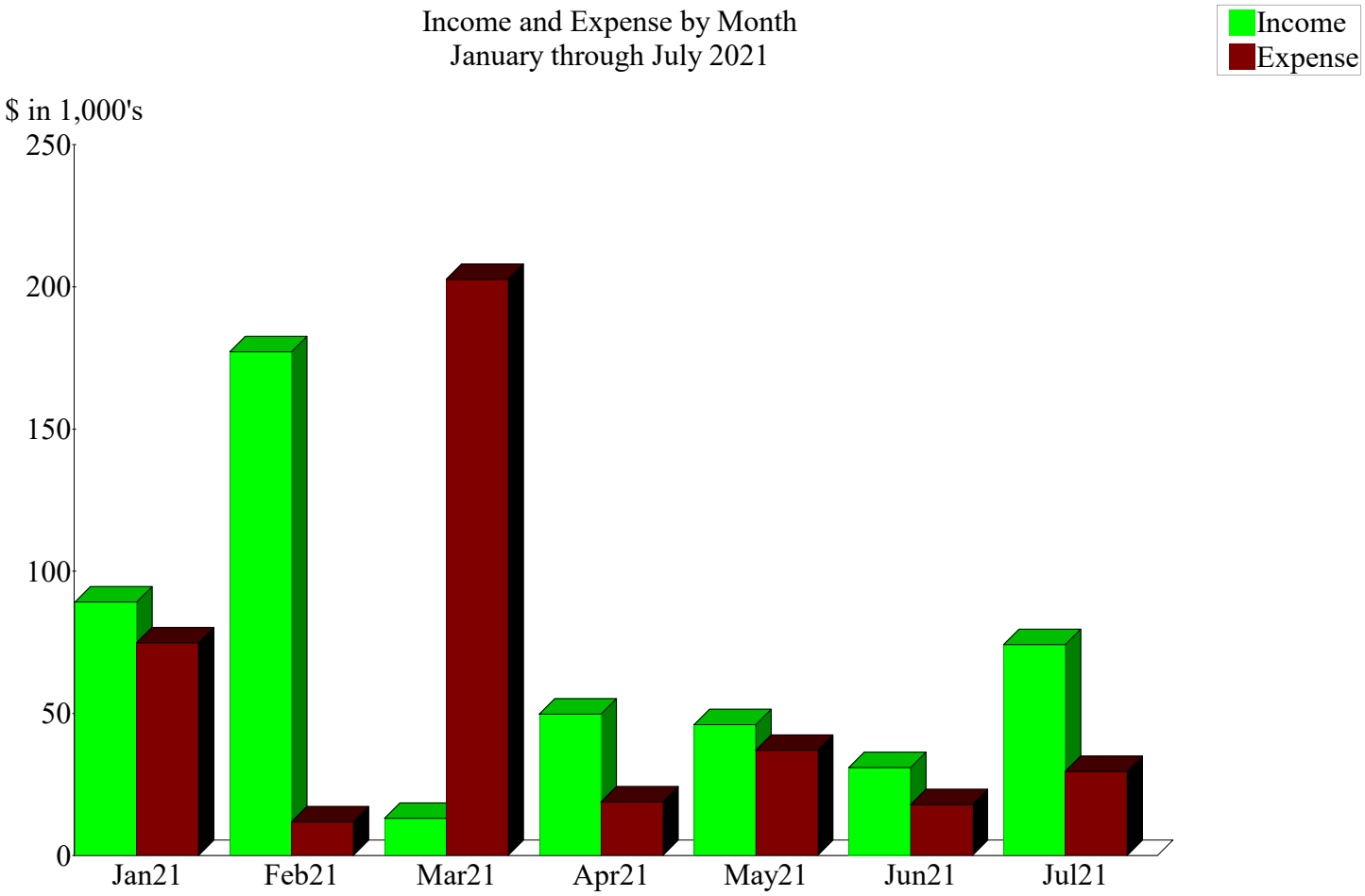
Income Summary
January through July 2021



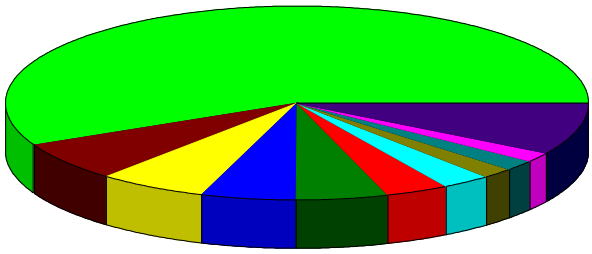
3-4000 · Grant Funds		34.56%
2-4400 · Property Tax Revenue		23.64
1-4050 · Water Service Fee		13.52
1-4000 · Capital Improvement Fees		12.22
1-4080 · Water Usage		11.24
1-4090 · Trout Haven Exclusion Deposits		1.75
2-4450 · Specific Ownership Tax		1.42
2-4470 · State Senior/ Veteran Funds		1.35
1-4030 · Late Fee Revenue		0.24
2-4460 · Restitution		0.03
2-7000 · Interest Income		0.02
Total		$480,649.30

By Account

Income and Expense by Month
January through July 2021



Expense Summary
January through July 2021



3-6000 · Capital Outlay	57.14%
2-8000 · Bond Interest	6.56
1-6190 · Repairs and Maintenance	6.11
1-6180 · ORC Fees-Operating	5.28
1-6050 · District Management-Operating	5.18
1-6220 · Water Distribution Purchases	3.64
1-6080 · Insurance Expense-Operating	2.81
1-6110 · Audit	1.81
3-6050 · District Management	1.78
1-6210 · Utilities	1.64
Other	8.04
Total	$392,874.25

By Account

Arabian Acres Metropolitan District

PAYMENT REQUEST

8/12/2021

GENERAL FUND

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Comments
Edith Coffman	08/192021EC		$ 100.00		$ 100.00	
Lanny Hoel	08192021LH		$ 100.00		$ 100.00	
Elizabeth Douglas	08192021ED		$ 100.00		$ 100.00	
Allan Brown	08192021AB		$ 100.00		$ 100.00	
Allan Brown	07212021AB		$ 100.00		$ 100.00	Reissue July Check
Stan Claassen	08192021SC		$ 100.00		$ 100.00	
Biggs Kofford	104103	7/27/2021	$ 7,100.00		$ 7,100.00	
CDPHE	FGD20210845	8/2/2021	$ 100.00		$ 100.00	
Coloradao Special Districts Prop	10437	7/27/2021	$ 236.00		$ 236.00	
Coloradao Special Districts Prop	POL-0005822	7/27/2021	$ 10,812.00		$ 10,812.00	
El Paso County Public Health	73121	7/31/2021	$ 21.00		$ 21.00	
IREA	40045402	7/22/2021	$ 133.88		$ 133.88	ACH
IREA	40032202	7/22/2021	$ 163.63		$ 163.63	ACH
IREA	40299901	7/22/2021	$ 113.08		$ 113.08	ACH
IREA	43071702	7/22/2021	$ 59.48		$ 59.48	ACH
IREA	43183502	7/22/2021	$ 247.70		$ 247.70	ACH
J.A. Excavation & Septic's LLC	73121	7/31/2021	$ 2,807.50		$ 2,807.50	
J.A. Excavation & Septic's LLC	073121	7/31/2021	$ 500.00		$ 500.00	
K&A Excavating	0721HLWD	7/8/2021	$ 2,105.00		$ 2,105.00	
Key Bank Credit Card	70179389	7/28/2021	$ 669.66		$ 669.66	ACH
Mailing Services Inc	15425	7/12/2021	$ 112.22		$ 112.22	
National Rural Water Association	90121	8/12/2021	924.10		$ 924.10	
Treatment Technology	184749	7/22/2021	605.00		$ 605.00	
UNCC	221070066	7/31/2021	26.40		$ 26.40	
Walker Schooler District Managers	6843	7/31/2021	4,634.72		$ 4,634.72	
TOTAL			**$ 31,971.37**	**$ -**	**$ 31,971.37**	

, Treasurer

TOTAL $ 31,971.37

ARABIAN ACRES METROPOLITAN DISTRICT

MONTHLY OPERATIONS REPORT
July 7, 2021 to August 6, 2021
Submitted by: Lynn Willow, O.R.C/Operator

TOTAL WATER PUMPED
Control A 322,950
Control B 145,154

TOTAL PURCHASED WATER

Trucked – 0
(Amount actually received per each 4,000 gallon load is generally 200-300 gallons less due to standard and typical hauling losses)

OPERATIONS & MAINTENANCE ISSUES

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1) Read, recorded, and turned in meter reads.
2) Waiting on ACT-PAC from Senses for replacement in control B. .
3) I will continue to exercise valves.
4) Flushing of the system continues.
5) Working on Tank coating project with bids and trying to find the best way to keep water in the system during recoating process. Waiting on engineering for tank connection
6) Contacted Rain for Rent about a storage tank for recoating project. Cost is $5,796.47

OTHER BUSINESS:

Please call for water turn off, if you are planning to leave for an extended period of time this winter and remember to check the AAMD website for hints on how to protect your inside water lines during the winter months.

Arabian Acres Daily Check list

Date	Cl2 check	Meter check	Pumps	Hydrants	Tank	Chemical	Valves	Buildings	Wells	hrs
7-01	x	x	x		x	x		x	x	3.5
7-05	x	x	x	x	x	x		x	x	3
7-08	x	x	x		x	x		x	x	4.5
7-11	x	x	x		x			x		3.5
7-12	x	x	x		x			x	x	5
7-14	x	x	x		x	x		x		3

Notes:

7-8 Meet with Tim about Act-Pac

7-12 Hydro seeding

AAMD Well Pumping

Week of July 5-2021	Week of July 12-2021
Well 1 4,828	5,121
Well 2 2,137	3,087
Well 3 4,582	4,409
Well 4 136	142
Well 5R 187	179
Well 6 491	501
Well 7 4,382	4,526
Well 8 982	1,452
Well 9 4,131	4,290