



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, May 19, 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](tel:+18722403212)

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, May 19, 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 March 17, 2021, March 26, 2021 and April 21, 2021 Minutes (see attached)

2) FINANCIAL MATTERS

- a) Review of billing and collection status
- b) Review and accept April 30, 2021 Unaudited Financial Status
- c) Review and approve payables

3) MANAGEMENT MATTERS

- a) Update on Exclusions
- b) Construction update
 - i) Warranty claims
 - ii) Remaining project(s)
 - (1) Budget
 - (2) Process
- c) Contract extension for ORC
 - i) Annual Review and Report
 - ii) Proposal

4) OPERATIONS

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.

5. ADJOURNMENT

THE NEXT REGULARLY SCHEDULED MEETING IS SCHEDULED FOR WEDNESDAY, JUNE 16, 2021 at 5:30 p.m.

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

March 17, 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
Jason Downie, District Legal Counsel
Michael Groselle, AquaWorks
Lynn Willow, ORC
Members of the Public

1. ADMINISTRATIVE MATTERS

- a. Call to Order & Declaration of Quorum: President Coffman called the meeting to order at 5:34 p.m. and confirmed a quorum was present.
- b. Confirm any Potential Conflicts of Interest: Directors Douglass, Coffman, and Hoel each confirmed there were no potential conflicts of interest. Mr. Walker disclosed that both Director Claassen and Director Brown are property owners in Trout Haven and have petitioned to be excluded.
- c. Discussion and Approval of the Agenda: Mr. Walker noted that the Agenda is lengthy, and the Board can decide to postpone Agenda item 4 if necessary. Director Claassen requested discussion on advertising the Board vacancies that will be created when he and Director Brown are off the Board. President Coffman said she spoke with Mr. Walker and they cannot advertise until the Directors are officially off the Board which happens when the Judge rules on the petitions. Director Claassen said he feels it would be wise to advertise on the bills or website to get a list of potential candidates.
- d. Review and approve minutes from February 24, 2021 Regular Board meeting: Director Claassen commented that there were a number of issues discussed but not resolved at the last meeting that are not included on the Agenda, but the Minutes are acceptable. Director Claassen moved to approve the February 24, 2021 Minutes. President Coffman requested to postpone the approval of the Minutes until Mr. Walker can review the unresolved items.

2. TROUT HAVEN EXCLUSION PROCESS

- a. Review of Petitions submitted: Mr. Walker presented the submitted petitions to be excluded. Mr. Walker discussed the property owners who have multiple lots that have been combined through a legal process at the Teller County Assessor and Clerk & Recorder. Those combined lots have been reviewed by legal and include the proper legal description. He confirmed the property owners who have the combined lots are only able to get a building permit for one lot after going through the legal process. Mr. Walker noted there were a few petitions that had very minor errors such as missing address that were sent back for corrections. Mr. Walker reported 68 out of 133 lots are petitioning to be excluded.

- i) Petitions submitted late: Mr. Walker explained that one petition was submitted after the February 28, 2021 deadline. Mr. Walker said that Mrs. Zimmerli, the property owner who submitted the petition explained she was told by a Board member that they would accept the petition after the deadline. Mr. Downie, District legal counsel, confirmed the District is obligated to act on any petition for exclusion that is submitted. Mr. Walker recommended accepting the petition and processing it in the same manner as the others.
- ii) Petitions for land adjacent to pipe on Kutus Ridge: Mr. Walker explained the two petitions submitted for combined lots that have houses and wells on them that are adjacent to the pipe on Kutus Ridge.
- b. Process going forward: President Coffman asked if the Board denied a petition at the hearing whether the money would be returned. Mr. Downie said that State Statute has no provision for returning the money. Director Brown expressed concern that denial of some petitions would create significant animosity among those who requested exclusion; President Coffman asked Director Brown if this was a threat. Director Brown said it was just a statement. Mr. Downie advised the Board to keep comments to the procedural matters. He explained the Board can assist in the procedure put in place for the property owners in the District with regards to the exclusion. The Board can address any questions on the process moving forward and what has been submitted. President Coffman asked about comments on the properties within 100' of the water line, and the requirements in the District's Rules and Regs. Mr. Downie said the Board does not need to make those determinations at this time and those issues can be addressed during the hearing on the petition.
 - i) Advertisement: Mr. Walker explained the process and that an advertisement will be published in the local newspaper for all of the lots that will have a hearing.
 - ii) Hearing: Mr. Downie explained the statute requires publication, but there is no further direction for these types of exclusion petitions. In comparison, to be excluded from a fire protection district there is a very thorough and detailed process and the recommendation for that process is to hold a hearing no more than 45 days after the publication, and no sooner than 30 days. Mr. Walker recommended scheduling a special meeting for the first week of May. Mr. Downie noted the bond holders were notified of the exclusions out of an abundance of caution. As he understands it, the bond holders have no problem with the exclusions because the excluded lots are still required to pay the debt even if it is refinanced. Mr. Walker confirmed he also spoke with the Trustee and will be providing written notice that includes the list of lots. Mr. Downie advised that formal written conflicts of interest be filed with the Secretary of State for the Board members that have submitted petitions.
- c. Cost to date review: Mr. Walker reported on the cost to date for the exclusion process. The District has collected \$200 per petition and is holding \$7,800 in funds as seen on the financial statement. \$1,200 has been spent for the water attorney, \$350 on direct mail and printing expenses, and an estimated \$1,000 for district legal counsel fees and management costs. Approximately \$5,500 will be left to spend which should cover the remaining anticipated expenses. Director Claassen asked about the \$500 in Director's fees for the special meeting in May being added to these costs. Mr. Downie confirmed the Director's fees would be included in the costs. President Coffman asked if the

Board denies a petition at the hearing, would the property owners get their \$200 refunded. Mr. Downie said no and explained there is no provision in the statute that requires a refund if their petition is denied. The District had to spend the money for the petitioners because they asked to go through the process. Director Brown commented that he would hate to see the animosity between Trout Haven and Arabian Acres if that happens. After further discussion, Mr. Downie advised the Board to not prejudice, and noted the fact that the District is assisting with the process but that should not be taken as any indication that the petitions will be granted or not granted. He explained that a Hearing must be held on all these matters to consider what is in the statute and make a ruling. The statute sets forth the procedure and requirements and the Board needs to consider those things at a published public hearing. Mr. Downie left the meeting.

3. CONSTRUCTION CLOSEOUT

- a. Consider approval of Glacier Construction Pay Application: Mr. Walker presented the Glacier Construction Pay Application to finish the project and release the retainage for \$34,395.75. Director Claassen recommended approving the Change Order and consider the substantial completion before approving the pay application. After approval of the Change Order and Substantial Completion, the Board discussed the Pay Application for Glacier Construction. Director Claassen recommended not paying the entire amount until the work is completed. Mr. Groselle explained there is roughly \$4,000 worth of road work left to be completed. Director Claassen noted the insulation work left to be inspected as well. Director Claassen moved to approve the Glacier Construction Pay Application minus \$10,000 to be withheld until the work is completed; seconded by Director Brown. Motion passed 3 to 1 with President Coffman voting against and Director Douglass excused.
- b. Consider approval of Glacier Construction Change Order Application: Director Claassen moved to approve Glacier Construction Change Order Application No. 3 as presented; seconded by Director Brown. Motion passed unanimously with Director Douglass excused.
- c. Consider Substantial Completion for Treatment Project – Glacier Construction and Resolution accepting work: Mr. Groselle confirmed the outstanding items were completed except for the site grading which will be done when the snow melts and the ground thaws. Mr. Willow confirmed they did a good job installing the insulation and they removed equipment to install behind. Director Claassen said he would like Mr. Groselle to inspect the finished surface that was installed to make sure it will provide long term protection of the insulation. Mr. Groselle said he confirmed with Mr. Sommers that the insulation inside of the building has metal sheeting covering it which is adequate. Mr. Groselle recommended adding this to the list of to be completed items on substantial completion. Director Claassen moved to accept the Substantial Completion for treatment project with Glacier Construction as amended; seconded by Director Brown. Motion passed unanimously.
- d. Consider approval of Native Sun Pay Application: After approval of the Native Sun Change Order and Substantial completion, the Board discussed the Native Sun Pay Application. Mr. Walker presented the Native Sun Pay Application No. 4 in the amount of \$150,845.52. After discussion, Director Claassen moved to approve the Native Sun Pay Application No. 4 for \$150,845.52 minus \$9,000 for retainage on the warranty

- claim; seconded by Director Brown. Motion passed unanimously.
- e. Consider approval of Native Sun Change Order Application: Mr. Walker presented the Native Sun Change Order that was negotiated at \$76,778.32. Mr. Walker confirmed it includes the payments for the additional tie-ins and the \$17,000 for time to complete the project by October 1st. Director Claassen commented the description of services is not detailed. Mr. Groselle confirmed the change order is for the tie-ins where the old line meets the new in the 9-10 locations. Mr. Walker modified the attachment to the change order to include the detail of the work from Native Sun. Director Claassen moved to approve Native Sun Change Order Application No. 4 as amended; seconded by Director Brown. Motion passed unanimously.
 - f. Consider Substantial Completion for Distribution Project – Native Sun and Resolution accepting work: Mr. Groselle confirmed that all of Native Sun’s work has been completed. The Board discussed the leak that was found and repaired in the last couple weeks at Deer Ridge and Twin Rocks which was the connection between the old system and the new system and the 2” line. The cost was \$4,500 to repair. Mr. Walker advised the Board could include that as an outstanding item to be reviewed as a potential item that needs to be repaired by Native Sun and withhold that portion of funds. The Board discussed the Native Sun Pay Application No. 4.
 - g. Construction Project budget update: Mr. Walker reported on the construction project budget update. He noted that \$53,888 remains in the budget. Mr. Walker discussed two items for Board consideration including additional funds for work done by AquaWorks and purchasing 4 pumps. If both items were approved by the Board, there would be \$35,487 remaining for other improvements such as tank modifications, a leak detection system, and valve protection.
 - h. Consider approval of payment for additional chemical pumps: Mr. Walker explained the pump was specified in the engineer’s documents because it was understood by the engineer to be scalable for adding chlorine to the system at various pumping volumes. When the pumps were installed it was discovered that they are not scalable. The correct scalable pump was ordered, and the District has an opportunity to purchase the 4 extra pumps for backup for \$4,400. The other option is to contact the vendor and request a refund. Mr. Groselle confirmed the vendor provided a misleading spec sheet and said the pumps were scalable when they were not. After discussion, the Board agreed the extra pumps are not useful since they are not the correct pumps and directed Mr. Walker to work on a refund.
 - i. Consider approval of additional funds for AquaWorks: Mr. Walker explained that AquaWorks is requesting \$14,000 for additional time that has been spent working on the project. Mr. Walker noted they have been very responsive and invaluable in terms of helping during this transition period. Director Claassen moved to increase the budget for AquaWorks in the amount of \$14,000; seconded by President Coffman. Motion passed unanimously.

4. REPORT ON WATER SYSTEM FREEZE AND LEAK

- a. Memorandum review: The Board discussed the recent water system freezes and leaks that have been repaired in detail. Director Claassen requested detailed documentation on the repairs to be archived. Mr. Willow confirmed he will provide the repair information to

Mr. Walker. Mr. Willow is evaluating areas that need additional insulation to prevent water system freezes in the future and will provide his recommendations to the Board.

- b. Preliminary cost estimate: The Board discussed the preliminary cost estimate while reviewing the Payment of Claims. Mr. Walker confirmed he will adjust Native Sun's payment and withhold the \$9,000 as discussed and Glacier's payment will be adjusted to \$24,000.

5. FINANCIAL MATTERS

- a. Review of billing and collection status: Mr. Walker presented the billing and collection status.
- b. Review and accept the February 28, 2021 Unaudited Financial Status: Mr. Walker presented the February 28, 2021 Unaudited Financial Status. Director Brown moved to accept the February 28, 2021 Unaudited Financial Status as presented; seconded by Director Claassen. Motion passed unanimously.
- c. Review and approve the Payment of Claims: Director Claassen moved to approve the Payment of Claims as amended; seconded by President Coffman. Motion passed unanimously. Mr. Walker discussed a plumber bill received from a customer to replace a pressure reducing valve in their house. The issue was gravel and other debris that came in through the service line on Gerka. Mr. Walker recommends the District pay the bill in the amount of \$287.55. President Coffman moved to approve the payment for the plumber bill; seconded by Director Douglass. Motion passed unanimously.

6. OTHER BUSINESS

- a. Turnover of system status – Mr. Willow: Mr. Willow commented that he believes Glacier has gone a good job. He explained there was an issue last month at Control Building B on the connection to the booster pump so they modified that and repaired the issue, but yesterday the same issue occurred at Control Building A. Glacier will be out tomorrow to make the repairs. Mr. Willow noted he is still waiting on High Tide for the tank leveler.

7. OPERATOR'S REPORT: Mr. Willow presented the Operator's Report. He noted that Well No. 6 had to be replaced and lowered. He explained the motor came apart during the process and may have contributed to the issue. Mr. Willow discussed the two frozen service lines on the homeowner's side of the house and two service lines that were frozen on the District's side on 50 Gerka. They have all now been replaced with the proper line at 9'. The leak was located on Deer Ridge and during excavation it was discovered that when it settled the connection cracked where PVC met the brass fitting. The connections have now been replaced and repaired with stronger materials.

8. PUBLIC COMMENT: Mr. Winterer commented that he would be willing to serve on the Board if needed. Mr. Winterer also complimented the Board on a wonderful job.

9. ADJOURNMENT: Director Claassen moved to adjourn the meeting; seconded by Director Douglass. Motion passed unanimously at 8:17 p.m.

Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL MARCH 17, 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
c/o Walker Schooler District Managers
614 N. Tejon St.
Colorado Springs, CO 80903

**SPECIAL BOARD MEETING
MINUTES
FRIDAY, MARCH 26, 2021
1:00 PM**

Board of Directors / Term Expires

Allan Brown, 2022

Stan Claassen, 2022

Edith Coffman, 2023 (excused)

Elizabeth Douglass, 2023

Lanny Hoel, 2023

1) ADMINISTRATIVE MATTERS

- a) Call to Order & Declaration of Quorum – The meeting was called to order by Director Claassen at 1:00 PM.
- b) Confirm any Potential Conflicts of Interest – No additional statement of conflicts of interest were identified.

2) OTHER BUSINESS

- a) Tour of District facility – Directors toured the Control Buildings with Glacier Construction personnel.

3) PUBLIC COMMENT

Comments will be limited to 3 minutes. Please remain respectful of the Board of Directors as well as of your fellow residents. – No comments were made.

4) ADJOURNMENT

THE NEXT REGULARLY SCHEDULED MEETING IS SCHEDULED FOR WEDNESDAY,
APRIL 21, 2021 at 5:30 p.m.

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

March 17, 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
Jason Downie, District Legal Counsel
Michael Groselle, AquaWorks
Lynn Willow, ORC
Members of the Public

1. ADMINISTRATIVE MATTERS

- a. Call to Order & Declaration of Quorum: President Coffman called the meeting to order at 5:34 p.m. and confirmed a quorum was present.
- b. Confirm any Potential Conflicts of Interest: Directors Douglass, Coffman, and Hoel each confirmed there were no potential conflicts of interest. Mr. Walker disclosed that both Director Claassen and Director Brown are property owners in Trout Haven and have petitioned to be excluded.
- c. Discussion and Approval of the Agenda: Mr. Walker noted that the Agenda is lengthy, and the Board can decide to postpone Agenda item 4 if necessary. Director Claassen requested discussion on advertising the Board vacancies that will be created when he and Director Brown are off the Board. President Coffman said she spoke with Mr. Walker and they cannot advertise until the Directors are officially off the Board which happens when the Judge rules on the petitions. Director Claassen said he feels it would be wise to advertise on the bills or website to get a list of potential candidates.
- d. Review and approve minutes from February 24, 2021 Regular Board meeting: Director Claassen commented that there were a number of issues discussed but not resolved at the last meeting that are not included on the Agenda, but the Minutes are acceptable. Director Claassen moved to approve the February 24, 2021 Minutes. President Coffman requested to postpone the approval of the Minutes until Mr. Walker can review the unresolved items.

2. TROUT HAVEN EXCLUSION PROCESS

- a. Review of Petitions submitted: Mr. Walker presented the submitted petitions to be excluded. Mr. Walker discussed the property owners who have multiple lots that have been combined through a legal process at the Teller County Assessor and Clerk & Recorder. Those combined lots have been reviewed by legal and include the proper legal description. He confirmed the property owners who have the combined lots are only able to get a building permit for one lot after going through the legal process. Mr. Walker noted there were a few petitions that had very minor errors such as missing address that were sent back for corrections. Mr. Walker reported 68 out of 133 lots are petitioning to be excluded.

- i) Petitions submitted late: Mr. Walker explained that one petition was submitted after the February 28, 2021 deadline. Mr. Walker said that Mrs. Zimmerli, the property owner who submitted the petition explained she was told by a Board member that they would accept the petition after the deadline. Mr. Downie, District legal counsel, confirmed the District is obligated to act on any petition for exclusion that is submitted. Mr. Walker recommended accepting the petition and processing it in the same manner as the others.
- ii) Petitions for land adjacent to pipe on Kutus Ridge: Mr. Walker explained the two petitions submitted for combined lots that have houses and wells on them that are adjacent to the pipe on Kutus Ridge.
- b. Process going forward: Mr. Downie advised the Board to keep comments to the procedural matters. He explained the Board can assist in the procedure put in place for the property owners in the District with regards to the exclusion. The Board can address any questions on the process moving forward and what has been submitted. President Coffman asked about comments on the properties within 100' of the water line, and the requirements in the District's Rules and Regs. Mr. Downie said the Board does not need to make those determinations at this time and those issues can be addressed during the hearing on the petition.
 - i) Advertisement: Mr. Walker explained the process and that an advertisement will be published in the local newspaper for all of the lots that will have a hearing.
 - ii) Hearing: Mr. Downie explained the statute requires publication, but there is no further direction for these types of exclusion petitions. In comparison, to be excluded from a fire protection district there is a very thorough and detailed process and the recommendation for that process is to hold a hearing no more than 45 days after the publication, and no sooner than 30 days. Mr. Walker recommended scheduling a special meeting for the first week of May. Mr. Downie noted the bond holders were notified of the exclusions out of an abundance of caution. As he understands it, the bond holders have no problem with the exclusions because the excluded lots are still required to pay the debt even if it is refinanced. Mr. Walker confirmed he also spoke with the Trustee and will be providing written notice that includes the list of lots. Mr. Downie advised that formal written conflicts of interest be filed with the Secretary of State for the Board members that have submitted petitions.
- c. Cost to date review: Mr. Walker reported on the cost to date for the exclusion process. The District has collected \$200 per petition and is holding \$7,800 in funds as seen on the financial statement. \$1,200 has been spent for the water attorney, \$350 on direct mail and printing expenses, and an estimated \$1,000 for district legal counsel fees and management costs. Approximately \$5,500 will be left to spend which should cover the remaining anticipated expenses. Director Claassen asked about the \$500 in Director's fees for the special meeting in May being added to these costs. Mr. Downie confirmed the Director's fees would be included in the costs. President Coffman asked if the Board denies a petition at the hearing, would the property owners get their \$200 refunded. Mr. Downie said no and explained there is no provision in the statute that requires a refund if their petition is denied. The District had to spend the money for the petitioners because they asked to go through the process. Director Brown commented that he would hate to see the animosity between Trout Haven and Arabian Acres if that

happens. After further discussion, Mr. Downie advised the Board to not prejudge, and noted the fact that the District is assisting with the process but that should not be taken as any indication that the petitions will be granted or not granted. He explained that a Hearing must be held on all these matters to consider what is in the statute and make a ruling. The statute sets forth the procedure and requirements and the Board needs to consider those things at a published public hearing. Mr. Downie left the meeting.

3. CONSTRUCTION CLOSEOUT

- a. Consider approval of Glacier Construction Pay Application: Mr. Walker presented the Glacier Construction Pay Application to finish the project and release the retainage for \$34,395.75. Director Claassen recommended approving the Change Order and consider the substantial completion before approving the pay application. After approval of the Change Order and Substantial Completion, the Board discussed the Pay Application for Glacier Construction. Director Claassen recommended not paying the entire amount until the work is completed. Mr. Groselle explained there is roughly \$4,000 worth of road work left to be completed. Director Claassen noted the insulation work left to be inspected as well. Director Claassen moved to approve the Glacier Construction Pay Application minus \$10,000 to be withheld until the work is completed; seconded by Director Brown. Motion passed 3 to 1 with President Coffman voting against and Director Douglass excused.
- b. Consider approval of Glacier Construction Change Order Application: Director Claassen moved to approve Glacier Construction Change Order Application No. 3 as presented; seconded by Director Brown. Motion passed unanimously with Director Douglass excused.
- c. Consider Substantial Completion for Treatment Project – Glacier Construction and Resolution accepting work: Mr. Groselle confirmed the outstanding items were completed except for the site grading which will be done when the snow melts and the ground thaws. Mr. Willow confirmed they did a good job installing the insulation and they removed equipment to install behind. Director Claassen said he would like Mr. Groselle to inspect the finished surface that was installed to make sure it will provide long term protection of the insulation. Mr. Groselle said he confirmed with Mr. Sommers that the insulation inside of the building has metal sheeting covering it which is adequate. Mr. Groselle recommended adding this to the list of to be completed items on substantial completion. Director Claassen moved to accept the Substantial Completion for treatment project with Glacier Construction as amended; seconded by Director Brown. Motion passed unanimously.
- d. Consider approval of Native Sun Pay Application: After approval of the Native Sun Change Order and Substantial completion, the Board discussed the Native Sun Pay Application. Mr. Walker presented the Native Sun Pay Application No. 4 in the amount of \$150,845.52. After discussion, Director Claassen moved to approve the Native Sun Pay Application No. 4 for \$150,845.52 minus \$9,000 for retainage on the warranty claim; seconded by Director Brown. Motion passed unanimously.
- e. Consider approval of Native Sun Change Order Application: Mr. Walker presented the Native Sun Change Order that was negotiated at \$76,778.32. Mr. Walker confirmed it includes the payments for the additional tie-ins and the \$17,000 for time to complete the project by October 1st. Director Claassen commented the description of services is not

detailed. Mr. Groselle confirmed the change order is for the tie-ins where the old line meets the new in the 9-10 locations. Mr. Walker modified the attachment to the change order to include the detail of the work from Native Sun. Director Claassen moved to approve Native Sun Change Order Application No. 4 as amended; seconded by Director Brown. Motion passed unanimously.

- f. Consider Substantial Completion for Distribution Project – Native Sun and Resolution accepting work: Mr. Groselle confirmed that all of Native Sun’s work has been completed. The Board discussed the leak that was found and repaired in the last couple weeks at Deer Ridge and Twin Rocks which was the connection between the old system and the new system and the 2” line. The cost was \$4,500 to repair. Mr. Walker advised the Board could include that as an outstanding item to be reviewed as a potential item that needs to be repaired by Native Sun and withhold that portion of funds. The Board discussed the Native Sun Pay Application No. 4.
- g. Construction Project budget update: Mr. Walker reported on the construction project budget update. He noted that \$53,888 remains in the budget. Mr. Walker discussed two items for Board consideration including additional funds for work done by AquaWorks and purchasing 4 pumps. If both items were approved by the Board, there would be \$35,487 remaining for other improvements such as tank modifications, a leak detection system, and valve protection.
- h. Consider approval of payment for additional chemical pumps: Mr. Walker explained the pump was specified in the engineer’s documents because it was understood by the engineer to be scalable for adding chlorine to the system at various pumping volumes. When the pumps were installed it was discovered that they are not scalable. The correct scalable pump was ordered, and the District has an opportunity to purchase the 4 extra pumps for backup for \$4,400. The other option is to contact the vendor and request a refund. Mr. Groselle confirmed the vendor provided a misleading spec sheet and said the pumps were scalable when they were not. After discussion, the Board agreed the extra pumps are not useful since they are not the correct pumps and directed Mr. Walker to work on a refund.
- i. Consider approval of additional funds for AquaWorks: Mr. Walker explained that AquaWorks is requesting \$14,000 for additional time that has been spent working on the project. Mr. Walker noted they have been very responsive and invaluable in terms of helping during this transition period. Director Claassen moved to increase the budget for AquaWorks in the amount of \$14,000; seconded by President Coffman. Motion passed unanimously.

4. REPORT ON WATER SYSTEM FREEZE AND LEAK

- a. Memorandum review: The Board discussed the recent water system freezes and leaks that have been repaired in detail. Director Claassen requested detailed documentation on the repairs to be archived. Mr. Willow confirmed he will provide the repair information to Mr. Walker. Mr. Willow is evaluating areas that need additional insulation to prevent water system freezes in the future and will provide his recommendations to the Board.
- b. Preliminary cost estimate: The Board discussed the preliminary cost estimate while reviewing the Payment of Claims. Mr. Walker confirmed he will adjust Native Sun’s payment and withhold the \$9,000 as discussed and Glacier’s payment will be adjusted to \$24,000.

5. FINANACIAL MATTERS

- a. Review of billing and collection status: Mr. Walker presented the billing and collection status.
- b. Review and accept the February 28, 2021 Unaudited Financial Status: Mr. Walker presented the February 28, 2021 Unaudited Financial Status. Director Brown moved to accept the February 28, 2021 Unaudited Financial Status as presented; seconded by Director Claassen. Motion passed unanimously.
- c. Review and approve the Payment of Claims: Director Claassen moved to approve the Payment of Claims as amended; seconded by President Coffman. Motion passed unanimously. Mr. Walker discussed a plumber bill received from a customer to replace a pressure reducing valve in their house. The issue was gravel and other debris that came in through the service line on Gerka. Mr. Walker recommends the District pay the bill in the amount of \$287.55. President Coffman moved to approve the payment for the plumber bill; seconded by Director Douglass. Motion passed unanimously.

6. OTHER BUSINESS

- a. Turnover of system status – Mr. Willow: Mr. Willow commented that he believes Glacier has gone a good job. He explained there was an issue last month at Control Building B on the connection to the booster pump so they modified that and repaired the issue, but yesterday the same issue occurred at Control Building A. Glacier will be out tomorrow to make the repairs. Mr. Willow noted he is still waiting on High Tide for the tank leveler.

7. OPERATOR’S REPORT: Mr. Willow presented the Operator’s Report. He noted that Well No. 6 had to be replaced and lowered. He explained the motor came apart during the process and may have contributed to the issue. Mr. Willow discussed the two frozen service lines on the homeowner’s side of the house and two service lines that were frozen on the District’s side on 50 Gerka. They have all now been replaced with the proper line at 9’. The leak was located on Deer Ridge and during excavation it was discovered that when it settled the connection cracked where PVC met the brass fitting. The connections have now been replaced and repaired with stronger materials.

8. PUBLIC COMMENT: Mr. Winterer commented that he would be willing to serve on the Board if needed. Mr. Winterer also complimented the Board on a wonderful job.

9. ADJOURNMENT: Director Claassen moved to adjourn the meeting; seconded by Director Douglass. Motion passed unanimously at 8:17 p.m.

Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL MARCH 17, 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
Profit & Loss Budget vs. Actual
January through April 2021**

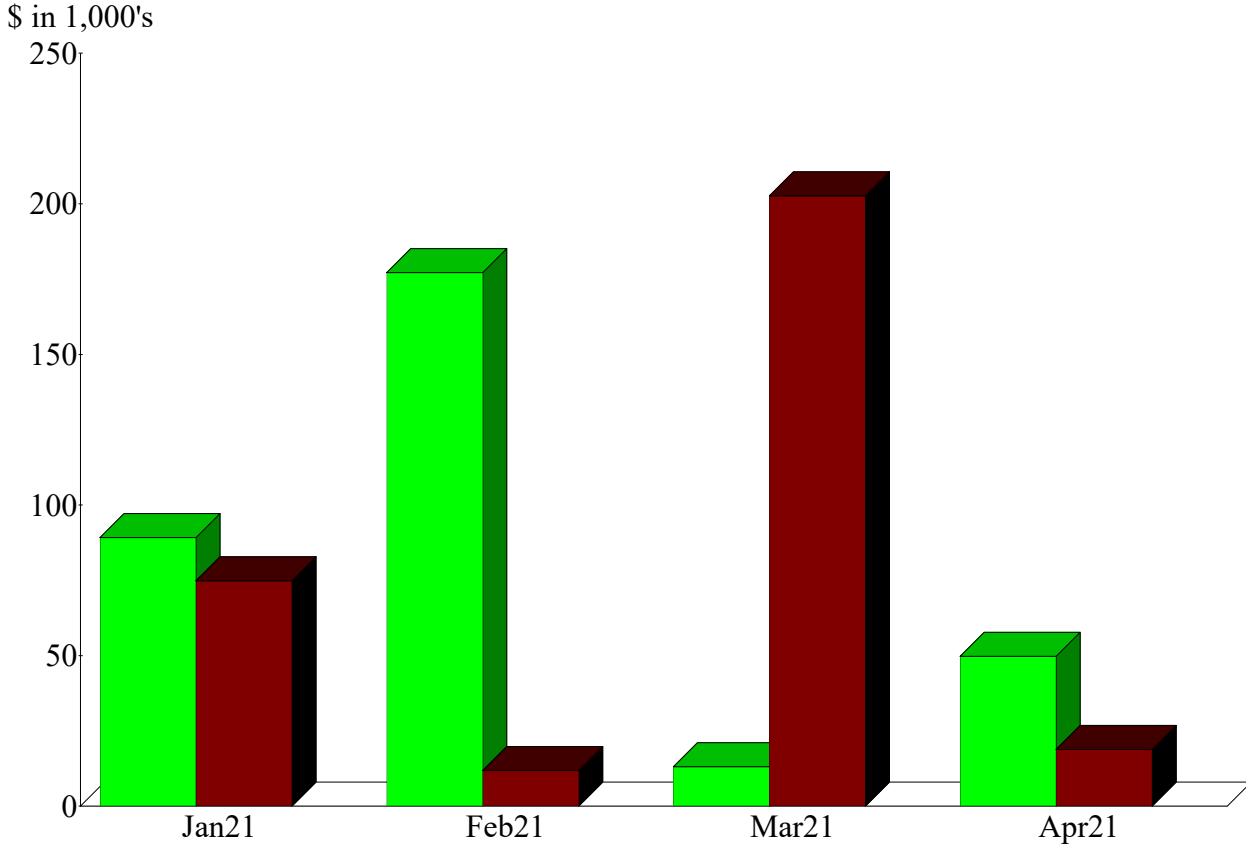
	<u>Jan - Apr 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
1-4000 · Capital Improvement Fees	38,660.51	120,000.00	-81,339.49	32.22%
1-4030 · Late Fee Revenue	495.00			
1-4050 · Water Service Fee	37,255.77	107,503.00	-70,247.23	34.66%
1-4080 · Water Usage	23,108.62	80,000.00	-56,891.38	28.89%
1-4090 · Trout Haven Exclusion Deposits	8,400.00			
2-4400 · Property Tax Revenue	59,108.21	122,843.28	-63,735.07	48.12%
2-4450 · Specific Ownership Tax	3,325.20	8,599.03	-5,273.83	38.67%
2-4460 · Restitution	85.74			
3-4000 · Grant Funds				
3-4110 · DOLA Grant \$1 Million	158,883.24			
3-4000 · Grant Funds - Other	60,000.00			
Total 3-4000 · Grant Funds	218,883.24			
3-4095 · CDPHE Grant 300K	-60,000.00			
Total Income	329,322.29	438,945.31	-109,623.02	75.03%
Gross Profit	329,322.29	438,945.31	-109,623.02	75.03%
Expense				
1-6020 · Bank Service Charges	0.00	300.00	-300.00	0.0%
1-6050 · District Management-Operating	11,633.48	55,000.00	-43,366.52	21.15%
1-6060 · Dues Fees and Subscriptions	820.47	2,500.00	-1,679.53	32.82%
1-6065 · Engineering O&M	0.00	3,000.00	-3,000.00	0.0%
1-6080 · Insurance Expense-Operating	0.00	8,000.00	-8,000.00	0.0%
1-6090 · Office Supplies	0.00	200.00	-200.00	0.0%
1-6100 · Postage and Copies-Operating	1,344.24	2,000.00	-655.76	67.21%
1-6110 · Audit	0.00	8,000.00	-8,000.00	0.0%
1-6120 · Directors Fees	2,400.00	7,500.00	-5,100.00	32.0%
1-6130 · Legal				
1-6135 · Trout Haven Exclusions	1,768.25			
1-6130 · Legal - Other	2,613.75	15,000.00	-12,386.25	17.43%
Total 1-6130 · Legal	4,382.00	15,000.00	-10,618.00	29.21%
1-6150 · Water Billing	2,700.00	8,000.00	-5,300.00	33.75%
1-6160 · Other Expense	1,010.44			
1-6170 · Chemicals and Supplies	0.00	2,000.00	-2,000.00	0.0%
1-6180 · ORC Fees-Operating	13,840.00	48,000.00	-34,160.00	28.83%
1-6190 · Repairs and Maintenance	16,217.83	15,000.00	1,217.83	108.12%
1-6210 · Utilities	3,404.43	12,500.00	-9,095.57	27.24%
1-6220 · Water Distribution Purchases	9,350.00	10,000.00	-650.00	93.5%
1-6230 · Water Testing	415.00	7,000.00	-6,585.00	5.93%
2-6240 · Treasurer Collection Fee	1,773.29	1,842.65	-69.36	96.24%
3-6000 · Capital Outlay				
3-6002 · DOLA 1 Million Grant	109,028.45			
3-6000 · Capital Outlay - Other	119,678.16			
Total 3-6000 · Capital Outlay	228,706.61			
3-6050 · District Management	4,000.00			
3-6100 · Postage and Copies	624.58			
3-6180 · ORC Fees	500.00			
63400 · Interest Expense	4,425.84			
66700 · Professional Fees	250.00			
Total Expense	307,798.21	205,842.65	101,955.56	149.53%
Net Ordinary Income	21,524.08	233,102.66	-211,578.58	9.23%
Other Income/Expense				
Other Income				
1-7020 · Interest Income - Operating	0.00	6,000.00	-6,000.00	0.0%
2-7000 · Interest Income	74.85	2,500.00	-2,425.15	2.99%
Total Other Income	74.85	8,500.00	-8,425.15	0.88%
Other Expense				
2-8000 · Bond Interest	0.00	51,580.00	-51,580.00	0.0%
2-8050 · National Rural Water Interest	462.20	1,288.89	-826.69	35.86%
2-8080 · Trustee Fees	0.00	500.00	-500.00	0.0%
Total Other Expense	462.20	53,368.89	-52,906.69	0.87%
Net Other Income	-387.35	-44,868.89	44,481.54	0.86%
Net Income	21,136.73	188,233.77	-167,097.04	11.23%

Arabian Acres Metropolitan District
Balance Sheet
As of April 30, 2021

	<u>Apr 30, 21</u>
ASSETS	
Current Assets	
Checking/Savings	
ECB Checking	304,138.29
2-1000 · COLOTRUST 4001	95,873.29
2-1020 · COLOTRUST Reserve 8002	31,977.06
3-1000 · COLOTRUST-Capital Reserve 8003	<u>237,477.70</u>
Total Checking/Savings	669,466.34
Accounts Receivable	
1-1200 · Accounts Receivable	<u>11,198.15</u>
Total Accounts Receivable	11,198.15
Other Current Assets	
1-1300 · Property Tax Receivable	<u>63,734.79</u>
Total Other Current Assets	<u>63,734.79</u>
Total Current Assets	744,399.28
Fixed Assets	
1-1850 · Construction in Progress	<u>699,333.06</u>
Total Fixed Assets	699,333.06
Other Assets	
3-1500 · Capital Assets	1,262,622.90
3-1520 · Equipment	3,307.55
3-1540 · Land	101,000.00
3-1560 · Water Rights	172,588.00
3-1590 · Accumulated Depreciation	<u>-474,196.00</u>
Total Other Assets	<u>1,065,322.45</u>
TOTAL ASSETS	<u><u>2,509,054.79</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
1-2000 · Accounts Payable	<u>21,147.50</u>
Total Accounts Payable	21,147.50
Other Current Liabilities	
DWRP 1.5 Million Loan	1,097,164.07
1-2020 · Accrued Interest	6,300.30
2-2200 · Deferred Revenue-Property Taxes	63,734.79
3-4090 · CWCB Meter Loan 400K	<u>194,739.20</u>
Total Other Current Liabilities	<u>1,361,938.36</u>
Total Current Liabilities	1,383,085.86
Long Term Liabilities	
2-2400 · 2007 Bonds Payable	1,040,000.00
2-2440 · Natural Rural Water	<u>44,173.65</u>
Total Long Term Liabilities	<u>1,084,173.65</u>
Total Liabilities	2,467,259.51
Equity	
30000 · Opening Balance Equity	215,933.51
32000 · Retained Earnings	-195,274.96
Net Income	<u>21,136.73</u>
Total Equity	<u>41,795.28</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,509,054.79</u></u>

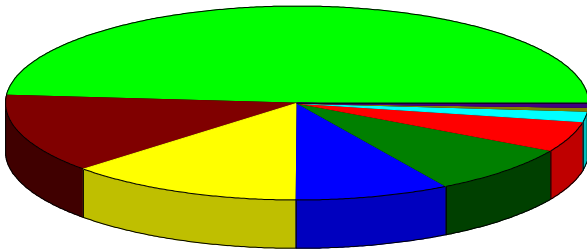
Income and Expense by Month
January through April 2021

Income
Expense



Income Summary
January through April 2021

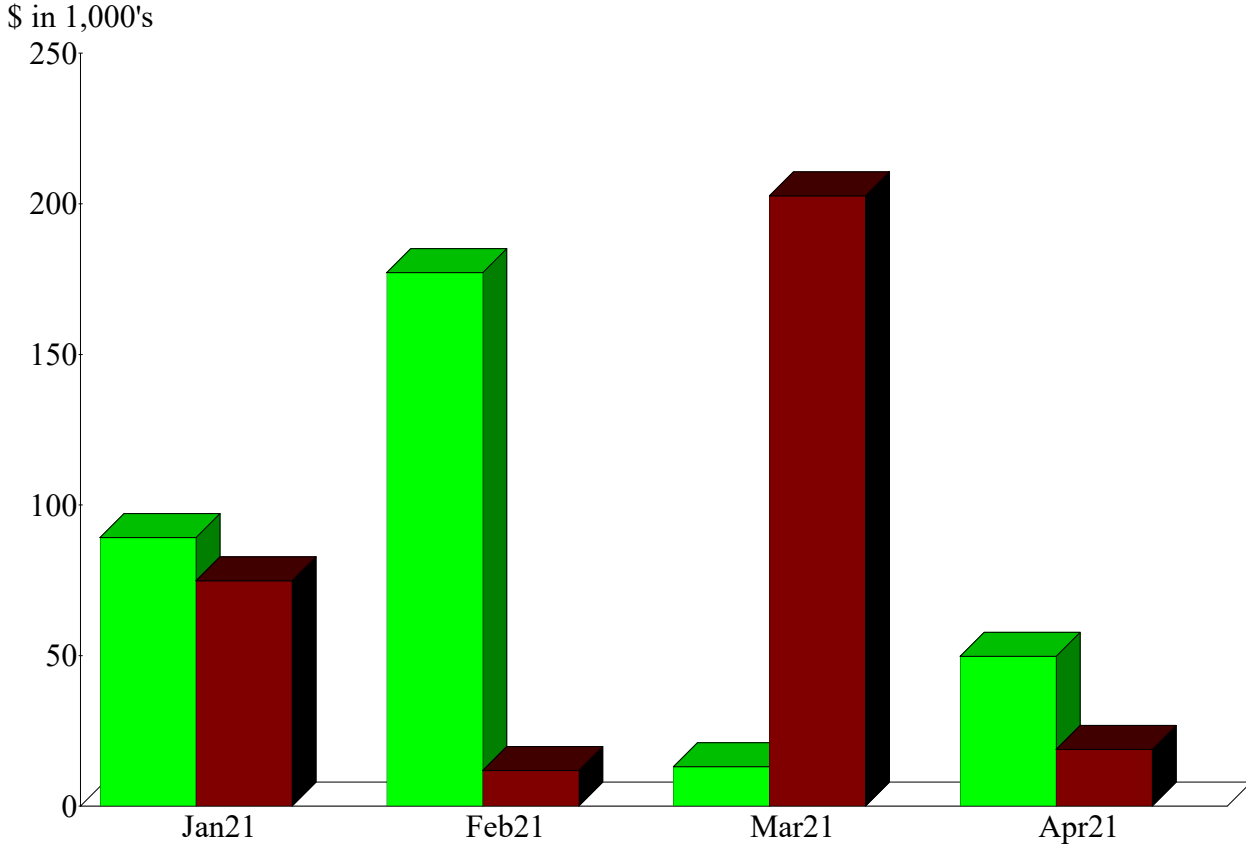
3-4000 · Grant Funds	56.21%
3-4095 · CDPHE Grant 300K	\$-60,000.00
2-4400 · Property Tax Revenue	15.18
1-4000 · Capital Improvement Fees	9.93
1-4050 · Water Service Fee	9.57
1-4080 · Water Usage	5.93
1-4090 · Trout Haven Exclusion Deposits	2.16
2-4450 · Specific Ownership Tax	0.85
1-4030 · Late Fee Revenue	0.13
2-4460 · Restitution	0.02
2-7000 · Interest Income	0.02
Sub-Total	\$329,397.14



By Account

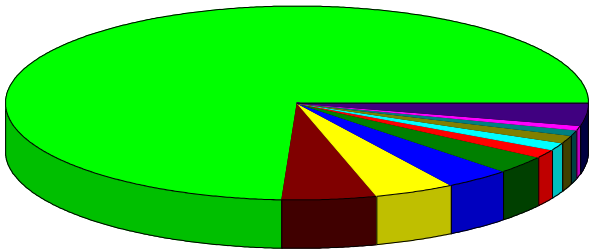
Income and Expense by Month
January through April 2021

Income
Expense



Expense Summary
January through April 2021

3-6000 · Capital Outlay	74.19%
1-6190 · Repairs and Maintenance	5.26
1-6180 · ORC Fees-Operating	4.49
1-6050 · District Management-Operating	3.77
1-6220 · Water Distribution Purchases	3.03
63400 · Interest Expense	1.44
1-6130 · Legal	1.42
3-6050 · District Management	1.30
1-6210 · Utilities	1.10
1-6150 · Water Billing	0.88
Other	3.11
Total	\$308,260.41



By Account

Arabian Acres Metropolitan District

PAYMENT REQUEST

5/12/2001

GENERAL FUND

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Comments
Edith Coffman	05122021EC		\$ 100.00		\$ 100.00	
Lanny Hoel	05122021LH		\$ 100.00		\$ 100.00	
Elizabeth Douglas	05122021ED		\$ 100.00		\$ 100.00	
Allan Brown	05122021AB		\$ 100.00		\$ 100.00	
Stan Claassen	05122021SC		\$ 100.00		\$ 100.00	
Alperstein & Covell, PC	51121	5/11/2021	\$ 55.00		\$ 55.00	
El Paso County Public Health	nati	4/30/2021	\$ 21.00		\$ 21.00	
IREA	40045402	4/21/2021	\$ 127.56		\$ 127.56	ACH
IREA	40032202	4/21/2021	\$ 359.24		\$ 359.24	ACH
IREA	40299901	4/21/2021	\$ 96.13		\$ 96.13	ACH
IREA	43071702	4/21/2021	\$ 77.22		\$ 77.22	ACH
IREA	43183502	4/21/2021	\$ 237.04		\$ 237.04	ACH
J.A. Excavation & Septic's LLC	Contracted022021	4/30/2021	\$ 2,650.00		\$ 2,650.00	
J.A. Excavation & Septic's LLC	Contracted022021	4/30/2021	\$ 500.00		\$ 500.00	
Key Bank Credit Card	*8927	4/21/2021	\$ 256.67		\$ 256.67	ACH - Paid
Mailing Services Inc	15097	4/13/2021	\$ 113.24		\$ 113.24	
Mailing Services Inc	15214	5/13/2021	\$ 112.73		\$ 112.73	
National Rural Water Association	51221	6/1/2021	\$ 924.10		\$ 924.10	
Susemihl, McDermott & Downie P.C.	33393	4/30/2021	\$ 165.00		\$ 165.00	
Susemihl, McDermott & Downie P.C.	33392	4/30/2021	\$ 1,713.25		\$ 1,713.25	
Susemihl, McDermott & Downie P.C.	33391	4/30/2021	\$ 2,448.75		\$ 2,448.75	
UNCC	221040067	4/30/2021	\$ 26.40		\$ 26.40	
Walker Schooler District Managers	6687	4/30/2021	\$ 5,195.99		\$ 5,195.99	
Zions Bank	2007A Bond	6/1/2021	\$ 25,790.00		\$ 25,790.00	Sent VIA Wire 5/12/21
TOTAL			\$ 41,369.32	\$ -	\$ 41,369.32	

CAPITAL FUND

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Due	Comments
Native Sun Construction	51721	5/17/2021	\$ 4,000.00		\$ 4,000.00		
TOTAL			\$ 4,000.00		\$ 4,000.00		

, Treasurer

TOTAL \$ 45,369.32

Arabian Acres Metropolitan District

AGREEMENT FOR ORC AND WATER OPERATIONS SERVICES

THIS AGREEMENT is made this 30th day of April, 2020 between Arabian Acres Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado ("District"), and J.A. EXCAVATING & SEPTIC, LLC, a Colorado limited liability company ("Contractor"); collectively referred to as "Parties, or singularly as "Party". The Parties agree that J.A. EXCAVATING & SEPTIC, LLC will provide Operator in Responsible Charge (ORC) and Operations Services to the District in accordance with the following terms and conditions.

1. Term and Termination: This Agreement shall commence on May 1, 2020 and terminate on April 30, 2021. At any time during the term of this Agreement, District has the right to unilaterally terminate this Agreement at its sole discretion due to Contractor's non-performance or inadequate performance by providing Contractor with thirty (30) days written notice. In the case where the District is in violation of its drinking water permit due to the actions or non-actions of the Contractor, the District shall have the right to immediately terminate the contract. Further, District has the right to unilaterally terminate this Agreement, at its sole discretion, without cause by providing Contractor with sixty (60) days written notice. Contractor has the right to unilaterally terminate the Agreement, at its sole discretion, without cause by providing District with sixty (60) days written notice.
2. Scope of Services: See: *Exhibit A*, which is attached and incorporated by this reference.
3. Compensation: In exchange for Contractor's performance of its obligations as described in Exhibit A, District agrees to pay Contractor pursuant to the terms of this Agreement as follows:
 - a. ORC flat monthly rate of \$3,150.00 (based on an average of 42 hours per month service in District or on District business (not inclusive of travel time) at a rate of \$75.00 per hour),
 - b. The total fee during the Contract term for basic services, as described in *Exhibit A* will not exceed \$37,800.00, without prior approval by the District Board of Directors.
 - c. Compensation for special services are listed in Exhibit B at a rate referred to there. Services out of the scope defined in Exhibit A or B will be negotiated separately as an addendum to this contract.
4. Independent Contractor: In performing its services, Contractor shall be an independent contractor to District, and not an employee or agent of District.
5. Contractor's Insurance. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of the Agreement, the following insurance coverage: (i) Standard worker's compensation and employer's liability insurance covering all employees of Contractor involved with the performance of the services, with policy amounts and coverage in compliance with law; (ii) Commercial General Liability Insurance with minimum limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 general

aggregate (iii) Comprehensive Automobile Liability Insurance covering all owned, non-owned and hired automobiles used in connection with the performance of the services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage, and (iv) any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the District may carry, and any insurance maintained by the District shall be considered excess. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the District as an additional insured. The Contractor's failure to purchase the required insurance shall not serve to release it from any obligations; nor shall the purchase of the required insurance serve to limit the Contractor's liability. The Contractor shall be responsible for the payment of any deductibles on issued policies.

6. **No Employment or Subcontract with Illegal Aliens:** Contractor certifies that it shall comply with the provisions of C.R.S. § 8-17.5-101, et seq., or as it may be amended from time to time during the term of this Agreement.
 - a) Contractor shall not knowingly employ or contract with an illegal alien to perform any work related to Contractor's performance under this Agreement.
 - b) Contractor represents, warrants and agrees that Contractor has verified the employment eligibility of its newly Hired Employees through participation in either of the Employment Verification programs.
 - c) Contractor agrees that all screening of job applicants is to be completed through the Employment Verification Programs prior to the commencement of performance under this Agreement.
 - d) If Contractor obtains actual knowledge regarding employment of or contracts with an illegal alien, Contractor shall notify the District within three (3) days that Contractor has actual knowledge of employing or contracting with an illegal alien.
 - e) Contractor shall comply with any reasonable request by the Colorado Department of Labor made in the course of an investigation that the Department is undertaking pursuant to Colorado law.
 - f) If Contractor violates any provision of this Part 6 required pursuant to C.R.S. § 8-17.5-101, et seq., District may terminate this Agreement immediately. The District shall also report such violation by Contractor to the Colorado Secretary of State as required by law if a court makes such a determination.

7. **Indemnification:** Contractor shall indemnify and hold District harmless from all claims, losses, injuries, expenses and costs related to Contractor's negligent, reckless, willful or wanton acts while providing District services under this Agreement.

8. **District Organization:** Arabian Acres Metropolitan District is a Special District operating under Article 32 of the Colorado Revised Statutes. The District is governed by an elected five-person Board of Directors (the "Board"). The District has no employees and has hired WSDM, LLC with its principal place of business at 614 N. Tejon St., Colorado Springs, Colorado 80903, to serve as the District's

Manager (hereafter the "District Manager"). The Board may in its sole discretion change the District Manager. Should this happen, the District will notify Contractor of this change in accordance with Article 9 of this contract (below).

9. **Notice:** All notices required under the terms of this Agreement shall be sent, via first class mail, Federal Express, United Parcel Service or via email to:

District:

Arabian Acres Metropolitan District
c/o WSDM, LLC
614 N. Tejon St.
Colorado Springs, CO 80903
Phone: 719-447-1777
Email: kevin.w@wsdistricts.co

Contractor:

J.A. Excavating & Septic, LLC
7340 McFarren Road
Colorado Springs, CO 80908
Phone: 719-482-5125
Email: Lywll9@aol.com

Either party may from time to time change its address, phone number or email address for notice under this Agreement by giving the other party written notice of such change in accordance with this paragraph.

10. **Relationship of Parties:** Nothing in this Agreement will be construed to create a partnership, joint venture, franchise, fiduciary, employment or agency relationship between the parties. Neither party has any express or implied authority to assume or create any obligations on behalf of the other or to bind the other to any contract, agreement or undertaking with a third party.
11. **Severability:** If any provision this Agreement is found to be invalid or unenforceable then the remainder of this Agreement will have full force and effect, and the invalid provision will be modified or partially enforced, to the maximum extent permitted to effectuate the original objective.
12. **Waiver:** Failure by either party to enforce any term of this Agreement will not be deemed a waiver of future enforcement of that or any other term in this Agreement or any other agreement that may be in place between the parties.
13. **Miscellaneous:** This Agreement, including its exhibits and attachments constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions.
- Neither party will be bound by any conditions, definitions, understandings or representations with respect to the subject matter hereof other than as expressly provided herein.

The section headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

No oral explanation or oral information by either party hereto will alter the meaning or interpretation of this Agreement.

The terms and conditions of this Agreement will prevail notwithstanding any different, conflicting or additional terms and conditions that may appear on any letter, email or other communication or other writing not expressly incorporated into this Agreement.

Parties agree that this Agreement shall not be assigned by either Party without the prior written consent of the other Party. Contractor shall not enter into any subcontracts for the performance under this Agreement without the prior written consent of the District.

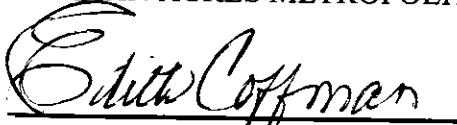
This Agreement sets forth all of the agreements of District and Contractor regarding the subject matter of this Agreement. There is no other agreement.

This Agreement may only be amended or modified by a written, signed and fully executed document by and between the Parties.

This Agreement shall be interpreted according to the laws of the State of Colorado.

IN WITNESS WHEREOF, Parties have executed this Agreement the day and year first written above.

ARABIAN ACRES METROPOLITAN DISTRICT


Edith Coffman, Board President

4-27-20
Date

J.A. EXCAVATING & SEPTIC, LLC


Lynn Willow, Contractor

4-27-20
Date

Exhibit A

Arabian Acres Metropolitan District Operator in Responsible Charge Scope of Services

A. Defined Terms

1. **Board** – The Board of Directors of Arabian Acres Metropolitan District
2. **Contract** – The Agreement between the District and the Contractor
3. **Scope** – The scope of services to be provided under the Contract
4. **ORC** - The Operator in Responsible Charge providing services as described in the Scope. Operator in Responsible Charge is a legal term under Colorado laws and regulations.
5. **District Manager** - The firm or person assigned by the District's Board of Directors to oversee and manage the District's affairs.
6. **Territory** - The geographic area described in the District's Service Plan as filed with Teller County, Colorado.
7. **CDPHE** - Colorado Department of Public Health and Environment, a Department of Colorado's State Government.
8. **District Water Engineer** - the individual or firm assigned by the District to compile water reports for the state and to advise the District's Board of Directors on water rights matters.
9. **UNCC** – Utility Notification Center of Colorado
10. **PRV** – Pressure Reducing Valve

B. Overview of Scope of Work

1. Contractor will perform all the tasks included in *Exhibit A* and will be responsible for the quality and timely performance of all work. To complete the scope of services described in Exhibit A, Contractor represents that he is properly licensed to perform the function of the ORC as specified in the Scope of Services.
2. Lynn Willow will perform as the Operator in Responsible Charge. Contractor will promptly notify the Board of Directors President and District Manager of any change in the assigned personnel.
3. In the event that the designated ORC is unable for any reason (vacation, illness, etc.) to provide the services required by this Contract, Contractor shall provide, at no

additional cost to the Water District, an appropriately licensed alternate ORC to provide any and all services required by this Contract AND that are also required to be provided by a licensed person.

4. Contractor will provide services under the direction of the District Manager., keeping them fully informed on all matters relating to the provision of services to the District.

C. Description of District

1. The District operates and currently provides water services for approximately 151 services located within the District's legally defined boundaries (hereafter the "Territory"). The District also owns and operates the water system within the Territory. The water systems include, but are not limited to, the following components:
 - a. Nine (9) wells that provide potable water.
 - b. A potable water collection system that gathers water from said nine wells and delivers the water to the potable water storage tank.
 - c. A potable water storage tank that receives and stores water from the wells.
 - d. Two potable water treatment plant that purifies the water in accordance with County, State and Federal requirements.
 - e. A potable water distribution system that delivers potable water to the District's residences within the territory.
 - f. Fire hydrants and blow-off hydrants located throughout the territory.
 - g. Associated pumps, measurement and data collection systems.
 - h. Thirty-two (32) isolation valves
 - i. Eight (8) Air relief valves

D. ORC Manager Scope of Services

1. General Description of Scope of Services of the ORC Manager:

Operate and maintain all components of the District's Water system at the direction of the District Manager. Provide Certified Water services as required by and in accordance with the regulations of the Colorado Department of Public Health and Environment (hereafter "CDPHE"), the Colorado Division of Water Resources and any other County, State or Federal regulatory body that may now or in the future regulate the operation, quality and standards of water system operating within Teller County

Colorado. Perform such reasonable duties as may be requested by the District. Contractor will be responsible for all District activities related to the improvement, maintenance, repair and replacement of any and all components of the District's Water System (including but not limited to wells, well collection piping, water storage tank, chlorination system, pump station, main line distribution piping).

Services include, but are not limited to:

- a. Ensure reliable operations of all District systems described above at all times.
- b. Minimize the District's costs.
- c. Comply with all Federal, State and County regulations, instructions and requirements.
- d. Supervise and be responsible for third-party contractors of the District in order to ensure continuation of service if ORC is unavailable.
- e. Maintain systems to avoid unexpected failures and, through monitoring and timely preventive maintenance, maximize the life of the District's water system.
- f. Ensure all building and sites are clean, free of debris and District equipment is stored, repaired and maintained.
- g. Contractor will provide all documentation to the District Manager for communications with the state or local authorities in the provision of required testing, mailing of samples, etc.
- h. Contractor will provide an invoice monthly by the 5th of every month backup information described in Section 3.d

Contractor may from time to time delegate some responsibilities for the operations to a third-party contractor to the District. The ORC will follow completely all State and District rules, regulations and policies that will maintain the ORC's direct responsibility for the work completed. Such work must be under the proper supervision of the Contractor and the Contractor maintains all responsibility for the work in quality and responsiveness.

Contractor will obtain the BOD President and/or the District Manager's approval for all charges to be billed above the amount of this contract except in emergencies as may be required to meet permit requirements or re-establish service to customers. In emergency cases, costs not authorized by the BOD President and District Manager shall be limited to those reasonably necessary to address the emergency. In the event of an emergency, Contractor shall promptly and within a minimum time of two (2) hours of the event being managed notify the District Manager of the event. The District will at all times during the Contract period provide the Contractor with an up to date list of emergency phone numbers.

Contractor will perform as necessary and with the approval of the District Manager all normal repairs and maintenance to the District's water system. Normal repairs shall include, but shall not be limited to, those that can be made using hand tools and performed during the normal hours that Contractor is in the territory. Specialized repairs outside of this scope are addressed in Exhibit B

Contractor will monitor all remote sensor equipment to identify problems per manufacturer guidelines, prudent practice and Operations and Maintenance Manual and policies of the District.

Contractor will purchase all chemicals, supplies and plant equipment necessary for laboratory analysis and treatment processes of the District's Water System. The District is responsible for payment to all vendors for these services and products.

Contractor will take all necessary actions to assure that any and all systems are restored as quickly as possible in the event of any system failure or other plant or system emergency, and to promptly notify the District's designated representative of the circumstances as soon as is practically possible. In the event the BOD President or the District Manager or other designated representative cannot be reached when an emergency arises, the Contractor's primary responsibility shall be to protect the interests of the District and its customers, and the Contractor shall use its best professional judgment to that end.

The District shall be responsible for the cost of all supplies, chemicals, and replacement equipment for the systems components and system parts. The District Manager or Board President shall be informed of as soon as practical, all such purchases exceeding five hundred dollars (\$500.00) either as a single item, or as the costs for a single task, prior to their being paid. Contractor will be responsible for submitting invoices, work orders or other written supporting documentation necessary for the Board to make prompt payment.

2. Routine Responsibilities:

- a. Operate the District's Water System including but not limited to the water treatment plants, the water storage tank, water collection and distribution systems, and all Supervisory Control and Data Acquisition (hereafter "SCADA"), monitoring systems and any measurement and control systems.
- b. Provide 24-hour Emergency Response for all District water problems. Contractor will at all times during the Contract period provide District with up to date emergency telephone numbers.
- c. Act as "eyes and ears" for the BOD President and the District Manager whenever Contractor is in the Territory by promptly reporting problems observed with District property.
- d. If any unusual or unexpected problems or circumstances are encountered, the ORC will promptly notify the District Manager.

- e. Adjust the water system's control systems as needed to maximize water levels in the storage tank to the extent practical.

3. Other Responsibilities

- a. Update and maintain the Districts Operations and Maintenance Manual and ensure compliance with same.
- b. Monitor, adjust and maintain all wells.
- c. Recommend improvements to the Water System where appropriate to the AAMD BOD and the District Manager.
- d. Contractor will provide the District Manager with a bi-weekly Activity Report (on forms provided by the District Manager) listing all noting days and times of presence in the District, tasks completed, details of maintenance work performed, specific information on issues and conditions encountered, addresses or locations of work completed, interactions with owners and rate payers, and any other information deemed important. Activity reports shall be submitted with Contractor's monthly invoice and are required for payments to be issued by the District.
- e. Coordinate the resolution of problems with the District Manager.
- f. Inspect all water system mechanical and electrical equipment. Said equipment includes but is not limited to all pumps (well pumps, booster pumps, lift station pumps, recirculation pumps), processing systems, monitoring systems, alarm systems, controls systems, chart recorders, chlorine equipment, Report on status and any problems to the District Manager. Recommend improvements as appropriate.
- g. Provide cistern inspections and report to the District Manager in a format designated by the Operations and Management Manual or other similar documents.
- h. Provide recordkeeping and test sampling as required by the CDPHE, and other governmental regulatory bodies. The ORC shall submit in a timely fashion, with all required reports and monthly certified laboratory test results, including but not limited to coliform bacteria and fecal coliform in the District's potable water; and any other testing required with regard to the District's Drinking Water Permit, PWSID #CO0160075, as well as for any other water permits that the District may now or in the future have or obtain.

Exhibit B
Arabian Acres Metropolitan District
Services Out of Scope

As-Requested or As-Needed Services:

Contractor will provide Services Out of Scope as defined below or as may defined in later documentation on an as needed rate of \$75.00 per hour or as may be defined in other documentation requiring Board or Manager approval

- Emergency locate water service lines in response to the Utility Notification Center of Colorado (UNCC) requests.
- Assist engineer and District Manager with scheduling capital projects and repairs as well as supporting capital projects with locates, observations, scheduling, valve operations, customer relations, etc.
- Emergency repairs outside of necessary maintenance utilizing hand tools.
- Supervise contractors working on the Districts water system except those that are doing emergency repair work to keep system functioning.
- Specialized repairs shall include, but not be limited to, any repairs requiring specialized equipment or tools or equipment which must be rented by the Contractor or the District, for example pneumatic jackhammer, backhoe, tapping machines, welders, etc. Except in an emergency, Contractor will perform specialized repairs after receiving approval from the District Manager

ARABIAN ACRES METROPOLITAN DISTRICT

MONTHLY OPERATIONS REPORT

April 6, 2021 to May 4, 2021

Submitted by: Lynn Willow, O.R.C/Operator

TOTAL WATER PUMPED

Control A 333,250

Control B 131,245

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

- 1) Read, recorded and turned in meter reads.
- 2) Turned water on for two residents that have been gone for winter
- 3) I was out of town for the dates of 4-20 through 4-26 for family emergency.
- 4) Kelly and Andre were on standby wail I was gone
- 5) Checking pricing for meter pit insulators
- 6) No major issues with the system had accrued this month

OTHER BUSINESS:

Winter temperatures are here. Please check water lines in your house to make sure they are insulated properly.

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
4-02	x	x	x		x	x	x	x	x	
4-05		x			x	x	x	x	x	
4-07	x	x	x			x		x	x	
4-09	x	x	x		x				x	
4-12		x	x		x			x	x	
4-14	x	x	x	x	x	x		x	x	
4-15	x	x	x		x	x		x		
4-17	x	x	x		x	x		x		
4-19	x	x	x		x	x		x	x	
4-20	x	x	x		x	x		x	x	
4-26		x			x				x	
4-29	x	x	x		x	x		x		
4-30	x	x	x		x	x		x		

Notes:

4-30 started reading meters, glitch with computer and had to stop.

Turned water on for 109 pawutsy

Turned water on for 148 Banner

I was out of town from 4-20 to 4-26, Kelly Brock was on Stand by.

Three water line locates were requested by 811 for this month.