

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

November 17, 2021 at 5:30 P.M.

Via Telephone and Video Conference Call

In attendance were Directors:

Allan Brown
Edith Coffman
Elizabeth Douglass
Lanny Hoel
Stan Claassen

Also in attendance were:

Kevin Walker, WSDM
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 5:29 PM 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 Hoel moved to approve the Agenda as presented; seconded by Director Douglass. Motion passed unanimously.
- d. Consider Approval of Meeting Minutes from October 20, 2021: President Coffman noted the discussion regarding her objection to paying Dana Kepner was not reflected in the Minutes. Mr. Walker explained there was an issue with the recording and that discussion was missed in error. Mr. Walker will correct the October 20, 2021 Minutes and they will be available for review at the next meeting.

2. FINANCIAL MATTERS

- a. Review of Billing and Collection Status: Mr. Walker presented the billing and collection status. 12 late payment reminder letters were sent, one customer has service shut off and will be certified for delinquent water fees, one customer on a payment plan and another in process of a payment plan.
- b. Review and Accept the October 31, 2021 Unaudited Financial Status: Mr. Walker presented the October 31, 2021 unaudited financial status. He noted the October water usage was not separated out for capital improvements and water service fees, so he recommended the Board table the approval until this is corrected. Mr. Walker confirmed the District's income is right on track to cover expenses and the District is in good shape financially.
- c. Review and Approve the Payment of Claims: Mr. Walker presented the Payment of Claims. President Coffman asked about Zion Bank shown on the general fund. Mr. Walker explained that was an error and will be corrected. Mr. Walker noted the Dana Kepner invoice for \$153.39. Last month, President Coffman objected to the \$1,000 charge for the act pack, and it was corrected to a \$147 charge. Mr. Walker will make an insurance claim on the \$1,000 expenditure due to a lightning strike. After review, Director Brown moved to approve the Payment of Claims; seconded by Director Douglass. Motion passed unanimously.
- d. Insurance Payment Update: Mr. Walker explained the District paid an update on the insurance in August, but the invoice they sent included the payment for the

remainder of the year that was already paid for. The negative amount was the refund from that overpayment.

- e. Public Hearing on the adoption of Resolution approving the 2022 Budget: Mr. Walker explained the 2022 Budget does not propose a change to the capital improvement fee. There are no projected tap fees for 2022 or income from Trout Haven, and the projected income from the capital improvement fee is \$306,000. \$240,000 in projected expenses and the debt service payment total an estimated \$306,000 for a balanced budget without a \$20,000 contingency, so Mr. Walker recommends keeping the fees the same for 2022. Mr. Walker discussed the bond budget. He explained the mill levy that pays for only bonds could be reduced to 22 mills from 24 mills and would still cover the bond payoff in 2030 plus an additional \$30,000 for the reserve. Mr. Walker recommends reducing the mill levy from 24 to 22 mills due to the increase in income from assessed valuations. Mr. Walker confirmed the mill levy could be raised back to 24 mills per the Service Plan if there were a drop in assessed valuations in the future. Director Brown commented that he agrees with lowering the mill levy to 22 mills. President Coffman and Director Douglass commented they are against lowering the mill levy. Mr. Walker noted the mill levy must be certified to the Treasurer by December 15th. President Coffman opened the Public Hearing at 5:58 PM on the adoption of the 2022 Budget. Mr. Winterer commented that he agrees with keeping the mill levy at 24 mills to protect the District from a drop in assessed valuations and would not want to lower the mill levy until it is closer to the end of bond payments. He noted that money could always be given back at the end, and he likes the 2022 Budget at 24 mills. After no additional public comment, President Coffman closed the Public Hearing at 6:00 PM. Director Claassen asked about a list of capital improvements and recommendations. Mr. Walker said he will begin that process and provide a list for the Board to review at the next meeting. Director Claassen moved to adopt the Resolution approving the 2022 Budget; seconded by Director Brown. Motion passed unanimously.

3. MANAGEMENT MATTERS

- a. Update on Exclusion Process with Teller County: Mr. Walker reported he is in contact with the Planning Director's supervisor who is an Arabian Acres resident. Teller County has requested a plan to advertise for their hearing which Mr. Walker has provided. The hearing is anticipated for early January and will be advertised in the newspaper and on the District's website. The hearing for the Service Plan Amendment is also anticipated for early January.
- b. Construction Update – deferred until 2022: Mr. Walker reported the repair and resurface of the water tank is deferred until Spring 2022. HR Green was hired as the Engineer for the project. The Board discussed notifying the customers during the repairs.
- c. Board Vacancies: Mr. Walker reported he received notice of an interested party once there is a Board vacancy.

4. LEGAL MATTERS

- a. Consider adoption of Resolution 2021-11-01; To Certify Certain Delinquent Water

Service Fees, Rates, Tolls, Penalties, Charges, and Assessments: Mr. Walker presented Resolution 2021-11-01; To Certify Certain Delinquent Water Service Fees, Rates, Tolls, Penalties, Charges, and Assessments. Mr. Walker explained the delinquent water charges will be certified to the County Treasurer for collection. Director Claassen moved to adopt Resolution 2021-11-01; To Certify Certain Delinquent Water Service Fees, Rates, Tolls, Penalties, Charges, and Assessments; seconded by President Coffman. Motion passed unanimously.

- b. Consider adoption of Resolution for Calling Election: Mr. Walker explained the Resolution for Calling Election designates Mr. Downie as the designated election official and outlines the requirements for the Election. Mr. Walker recommended the Board table the adoption for next month to provide time for review.

5. OPERATIONS

- a. ORC Report: Mr. Willow presented the ORC Report. He reported the tap was done at 65 Gerka. KA Excavation will be scheduled for mediating the freezing issue on the service line at 310 Gerka. Mr. Willow noted the insulation disks were not delivered so he is installing the R15 insulation in meter pits that needed the extra insulation.

6. PUBLIC COMMENT: Mr. Winterer commented that the Board is doing a good job and he appreciates the effort. He expressed concern over the possibility of frozen pipes and meters.

7. ADJOURNMENT: Director Claassen moved to adjourn at 6:24 PM; seconded by Director Brown. Motion passed unanimously.

Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 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