

RAE Water Board Members,

I wanted to give you some information about some things that have happened these past few months. I am including this in this month's Board package.

This winter season has been a pretty difficult and very busy season so far. Given the age of current infrastructure, we have had numerous assets fail within the last 6 months. I will briefly explain what has been happening so that you are more informed prior to the Board meeting on the April 16<sup>th</sup>.

**First**, I will start with the Woodland Park lift station. As you know from prior Board meetings that we lost the engine to the backup generator set. We were recommended a new Gen set at the price of \$40 thousand dollars. Through research by Colbie and myself, we found a savings opportunity and found that a replacement engine only costs approximately \$13 thousand dollars. Big Sky Power Solutions has completed the repairs and our generator is now back in service.

**Second**, main office water heater age and piping failure. A water leak was found in the main office mechanical room. It was found that the copper piping was leaking. A decision was made to replace the copper pipe and due to the age of the water heater, it was also replaced. This cost was approximately \$7 thousand dollars. Also, the main office garage heater has failed. A replacement heater will be installed on April 18<sup>th</sup>. That will cost around \$2,500.

**Third**, During the February 2025 snow storms, the high winds blew out all of the weather-stripping foam under the ridge cap in the Booster building. This caused a significant amount of snow to enter the attic space of the building. When the snow in the building attic melted, we noticed that water was seeping through the ceiling panels causing several panels to come loose. Furthermore, this created a breeding ground for mold. A claim was submitted to the RAE Water insurance company. The total mold removal, roof, and ceiling repair cost \$25 thousand dollars. RAE Water's deductible for these repairs was \$2,500. The insurance company cut RAE Water a check for the difference, then we paid Extreme Restoration company directly.

**Fourth**, I made the Board aware that one of our four blowers in the blower building had failed. While parts were on order to repair the downed blower, a second blower failed. With the failure of the second blower, this created an emergency situation. I ordered a new blower unit from Aqua Aerobics costing approximately \$12 thousand dollars, this new blower unit arrived April 7<sup>th</sup>. The new blower unit was installed on April 8<sup>th</sup>. I have found another source to order blowers from, this will only cost RAE Water approximately \$9 thousand dollars per blower unit. I ordered 2 additional blower units from the alternate source. I will determine what path going forward

with the last blower whether it be replaced or just put new bearings in it. We are back to operational status with the 3 blowers up and running.

**Fifth,** The Maintenance building roof is separating along the north east edge. This has caused a significant gap between the roof panels and the edge flashing. This will need to be further investigated as to the cause and determine a path to repair. During the construction of the Maintenance shop there were contractor issues after the building shell was put up, at that time of the project the contractors had to be switched to finalize the construction. I believe some things were overlooked and need to be addressed. More to come on the situation with that issue.

I just wanted to make you aware of the situations that RAE Water has encountered in such a short period of time. I want to give a shout out to all of our awesome team members. With all of the recent situations that have happened in a very short time, all of our RAE Water team members handled and are currently handling them in a professional manner and we are tackling all issues as they arise.

Please have a great weekend and Val and I will see you on the 16<sup>th</sup>.

Ken