

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE ARABIAN ACRES METROPOLITAN DISTRICT HELD APRIL 16, 2014

A regular meeting of the Board of Directors of the Arabian Acres Metropolitan District (the "Board") was duly held on Wednesday, April 16, 2014, at 6:00 p.m., at the Police Department, Community Room, 911 Tamarac Parkway, Woodland Park, Colorado. The meeting was open to the public.

#### ATTENDANCE

##### Directors In Attendance Were:

Charles Hallam  
Sandy Zuniga  
Lynda Morgan  
Lanny E. Hoel  
Edith Coffman

##### Also In Attendance Were:

Peter Italiano; Special District Management Services, Inc.

Joan Fritsche, Esq., Collins, Cockrel & Cole, P.C. (via teleconference).

\* Evan Ela, Esq. and Joe Norris, Esq.; Collins, Cockrel & Cole, P.C. (via teleconference where indicated).

Lynn Willow; District Operator

Members of the Public; see attached list

#### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest to the Board of Directors and to the Secretary of State. Director Hallam noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that there were no conflicts.

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### ADMINISTRATIVE MATTERS

**Agenda:** Mr. Italiano reviewed the proposed Agenda for the District's regular Board Meeting.

Following discussion, upon motion duly made by Director Morgan, seconded by Director Zuniga and, upon vote, unanimously carried, the Agenda was approved, as amended.

**Minutes:** The Board reviewed the Minutes of the March 19, 2014 Regular Meeting. Following discussion, upon motion duly made by Director Zuniga, seconded by Director Morgan and, upon vote, unanimously carried, the Minutes were approved.

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### OPERATORS REPORT

**Monthly Production and Results of Quality Tests:** Mr. Willow distributed his Operator's Report for the Boards review, which is attached hereto.

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### FINANCIAL MATTERS

**Claims:** The Board considered approval of payment of claims through the period ending April 16, 2014, totaling \$19,073.10.

Following discussion, upon motion duly made by Director Morgan, seconded by Director Zuniga and, upon vote, unanimously carried, the Board approved the payment of claims through the period ending April 16, 2014, totaling \$19,073.10.

**Cash Position Statement:** Mr. Italiano distributed basic bank account information and past due/unpaid claims for the Board's review.

Following discussion, upon motion duly made by Director Zuniga, seconded by Director Hoel and, upon vote, unanimously carried, the Board approved the cash position statement.

**Grants/Loans and Household Income Survey:** Mr. Italiano reported to the Board on the status of the \$25,000 grant from CWCB to hire an engineer to write a PER. He noted that the purchase order is in process.

Mr. Italiano then reported to the Board that the MHI survey has been mailed out and is due back on April 17, 2014. He noted that the next step is for the State Demographer to contact him with the status of the survey results.

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**Insurance Update:** Mr. Italiano presented to the Board and reviewed the revised crime coverage insurance certificate for the new \$100,000 Fidelity Bond requirement for the National Rural Water Association loan.

**Checking Account:** Director Morgan noted for the Board that upon the new Board being seated at the May meeting the Bank signors will need to be changed so that the existing Board members are removed and the new Board member are added.

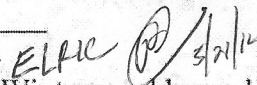
### **LEGAL MATTERS**

**Rules and Regulations:** The Board reviewed the draft Amended Rules and Regulations.

Following discussion, upon motion duly made by Director Morgan, seconded by Director Coffman and, upon vote, carried with Directors Morgan, Coffman, Hallam and Hoel voting "Yes" and Director Zuniga voting "No", the Board approved the Amended Rules and Regulations, subject to the following revisions:

- Item KK to be amended so the District is responsible from the tap at the main line to curb stop valve, the owner is responsible from curb stop valve to the house, and the valve split 50/50.
- Item 3, line 9, page 18 be revised to add "to" before "the".

### **PUBLIC COMMENT**

 Eldrick Winterer addressed the Board and questioned the billing collection progress and status of income survey.

### **OTHER BUISNESS**

**Delinquent Account List:** Mr. Italiano distributed and reviewed with the Board the delinquent account list. He explained that progress has been made in collections. The collection shut off notices were sent to Mr. Willow today for posting.

### **EXECUTIVE SESSION**

**EXECUTIVE SESSION:** \* Mr. Ela and Mr. Norris joined the meeting by teleconference. Pursuant to Section 24-6-402(4)(b) and (e) of the Colorado Revised Statutes, upon motion duly made by Director Morgan, seconded by Director Coffman and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 7:43 p.m. for the purpose of receiving legal advice on matters related to the Trout Haven

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exclusion proceeding, water rights and water delivery matters and the Dissemination of the "State of Affairs" Report dated April 25, 2014 as authorized by Section 24-6-402(4)(b), C.R.S. \*Mr. Ela and Mr. Norris terminated their call.

Furthermore, pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no minutes will be kept of the executive session that, in the opinion of the District's attorney, constitute privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

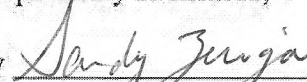
The Board reconvened in regular session at 9:18 p.m.

### ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Zuniga, seconded by Director Morgan and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

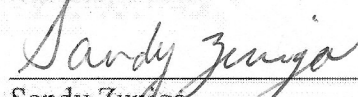
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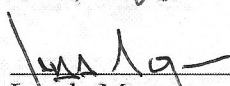


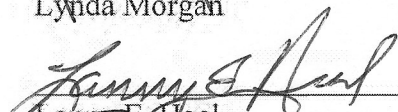
Secretary for the Meeting

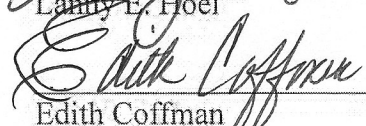
THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 16, 2014 MINUTES OF THE ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
\_\_\_\_\_  
Charles Halfam

  
\_\_\_\_\_  
Sandy Zuniga

  
\_\_\_\_\_  
Lynda Morgan

  
\_\_\_\_\_  
Lanny E. Hoel

  
\_\_\_\_\_  
Edith Coffman

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### Attorney Statement REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Arabian Acres Metropolitan District, I attended the executive session meeting of the Arabian Acres Metropolitan District convened at 7:43 p.m. on April 16, 2014 for the sole purpose of discussing matters pertaining to matters related to the Trout Haven exclusion proceeding, water rights and water delivery matters, and the Dissemination of the "State of Affairs" Report dated April 25, 2014. I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S. and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S.

Signed

Joan M Fritsche  
Joan Fritsche, Attorney for the District

Dated:

05/21/2014