

14501204

RECORD OF PROCEEDINGS

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

A regular meeting of the Board of Directors of the Arabian Acres Metropolitan District (the "Board") was duly held on Wednesday, July 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:

- Edith Coffman
- Lanny E. Hoel
- Robert "Elric" Winterer
- Wade Holder

Also In Attendance Were:

Peter Italiano; Special District Management Services, Inc.

Joe Norris, Esq.; Collins Cockrel & Cole, P.C.

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 Coffman 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.

**ADMINISTRATIVE
MATTERS**

Agenda: Director Coffman reviewed the proposed Agenda for the District's regular Board Meeting.

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

Minutes: The Board reviewed the Minutes of the June 18, 2014 Regular Meeting.

Following discussion, upon motion duly made by Director Hoel, seconded by Director Winterer and, upon vote, unanimously carried, the Minutes of the June 18, 2014 Regular Meeting were approved.

PUBLIC COMMENTS

Mr. Rupp addressed the Board and noted his dissatisfaction regarding the 2014 Promissory Note and Reimbursement Agreement between the Rupp Family Partnership, LLLP and the District. Mr. Rupp requested approximately 30 minutes to share his historical knowledge and options on operations of the District with the Board. .

Ms. Callan addressed the Board as to any updates regarding Terry Malcom and District Attorney Dan May. Mr. Italiano noted that there is no new information to provide at this time.

Ms. Zuniga noted that she provided the Board with an email list for their use in communicating with customers. The Board acknowledged their receipt of the list and thanked her.

OPERATOR'S REPORT

Monthly Production and Results of Quality Tests: Mr. Willow reviewed the Operator's Report, attached hereto.

FINANCIAL MATTERS

Claims: The Board considered approval of payment of claims through the period ending July 16, 2014, totaling \$18,830.84.

Following discussion, upon motion duly made by Director Winterer, seconded by Director Hoel and, upon vote, carried with Directors Winterer, Hoel and Coffman voting "Yes" and Director Holder voting "No", the Board approved the payment of claims through the period ending July 16, 2014, totaling \$18,830.84. Director Holder requested that copies of all monthly invoices be included with the Board meeting packet to allow a thorough review prior to the meetings.

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Cash Position Statement: Mr. Italiano distributed cash position statement as of July 10, 2014 for the Board's review.

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

Delinquent Accounts Collections: Mr. Italiano distributed the delinquent accounts report and the unpaid invoice report for the Board's review. He noted that the collection rate continues to improve.

Household Income Survey: Mr. Italiano reviewed the email from DOLA with the Board. Mr. Italiano noted that the District does not qualify as a fiscally disadvantaged community. Due to the survey results of an "MHI" for Arabian Acres Metropolitan District of over \$50,000/year; the District does not qualify for many Grants/Principal Forgiveness Loans.

LEGAL MATTERS

Amended Annual Administrative Resolution: The Board discussed amending the Board Policy on Director compensation for Board meeting attendance.

Following discussion, upon motion duly made by Director Winterer, seconded by Director Hoel and, upon vote, carried with Directors Winterer, Hoel and Coffman voting "Yes" and Director Holder voting "No", the Board approved amending its Policy regarding Board meeting compensation in compliance with state statute and directed Legal Counsel to draft a revised Resolution for Board Execution.

Board Vacancy Process: Mr. Italiano and Attorney Norris both noted that no letters of interest have been received to date. They will continue to report back to the Board regarding status of interested candidates and will maintain vacancy information on the District website.

PUBLIC COMMENT

Mr. Hallam addressed the Board and requested that he be taken off the SCADA Alert list and Mr. Holder requested that he be added to the list. Mr. Hallam also requested that the agenda posting be inside the display case for inclemency purposes. The Board agreed to comply with his request as best as possible.

Ms. Callan noted that she contacted the POA to consider building a new display case for enhanced public notice efforts.

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Ms. Zuniga requested that the Operators report also be added to the District website along with currently posted item. The Board agreed.

Director Holder requested that Mr. Italiano contact Mr. Rupp and confirm his interest in speaking at the August Board meeting, and if so, have him provide a bullet point memo to Mr. Italiano for inclusion in the Board's agenda packet, specific to his request to provide a 20 minute "history" presentation.

OTHER BUSINESS

Mr. Italiano discussed the request for a waiver of the Transfer Fee from Elizabeth Douglas.

Following discussion, upon motion duly made by Director Coffman, seconded by Director Winterer and, upon vote, unanimously carried, the Board denied the request for a waiver of the Transfer Fee.

EXECUTIVE SESSION

EXECUTIVE SESSION: Pursuant to Section 24-6-402(4)(b) and (f) of the Colorado Revised Statutes, upon motion duly made by Director Winterer, seconded by Director Hoel and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 7:25 p.m. for the purpose of receiving legal advice and instructing negotiators on matters related to the following: Lost Dutchman Appeal to Board of County Commissioners of Denial of Petition for Exclusion; Complaint filed on behalf of Peter and Jacqueline Kuyper, PK Enterprises, Inc., and TH Promotions under the District's Rules and Regulations; Rupp Promissory Note and Personnel matters regarding its Management Consultant.

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 9:19 p.m.

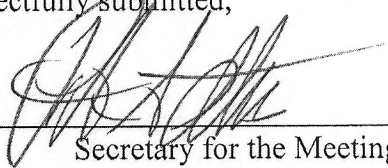
ADJOURNMENT

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

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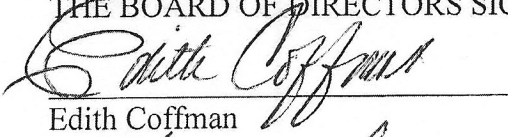
Respectfully submitted,

By

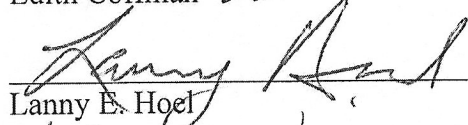


Secretary for the Meeting

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



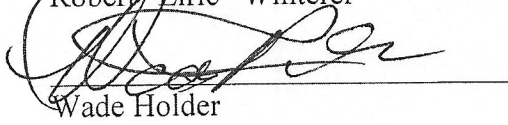
Edith Coffman



Lanny E. Hoel



Robert "Elric" Winterer



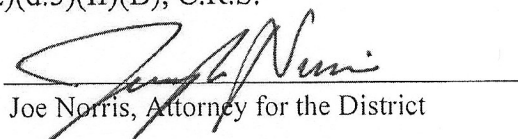
Wade Holder

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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 7:25 p.m. on July 16, 2014 for the sole purpose of discussing matters related to the following: Lost Dutchman Appeal to Board of County Commissioners of Denial of Petition for Exclusion; Complaint filed on behalf of Peter and Jacqueline Kuyper, PK Enterprises, Inc., and TH Promotions under the District's Rules and Regulations; Rupp Promissory Note and Personnel matters regarding its Management Consultant. 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


Joe Norris, Attorney for the District

Dated:

8/25/14