

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE ARABIAN ACRES METROPOLITAN DISTRICT HELD JUNE 18, 2014

A regular meeting of the Board of Directors of the Arabian Acres Metropolitan District (the "Board") was duly held on Wednesday, June 18, 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.

Joan Fritsche, Esq.; Collins, Cockrel & Cole, P.C.

Evan Ela, Esq. and Joe Norris, Esq.; Collins Cockrel & Cole, P.C. (via speakerphone)

Lynn Willow; District Operator

Members of the Public; see attached list

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#### 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.

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### ADMINISTRATIVE MATTERS

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

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 May 21, 2014 Regular Meeting.

Following discussion, upon motion duly made by Director Winterer, seconded by Director Holder and, upon vote, unanimously carried, the Minutes of the May 21, 2014 Regular Meeting were approved.

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### PUBLIC COMMENTS

Ms. Callan addressed the Board with her concerns regarding posting notices visibly and also the website updates.

Ms. Johnson addressed the Board and asked about the amount of customers being shut-off due to lack of payment.

Ms. Zuniga addressed the Board and noted her concerns regarding the lack of a secretary on the Board and the effect of reduced information dissemination, concerns about CORA and any potential legal liability for actions as a past Board member.

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### OPERATOR'S REPORT

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

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### FINANCIAL MATTERS

**Claims:** The Board considered approval of payment of claims through the period ending June 18, 2014, totaling \$24,129.23.

Following discussion, upon motion duly made by Director Winterer, seconded by Director Hoel and, upon vote, unanimously carried, the Board approved the payment of claims through the period ending June 18, 2014, totaling \$24,129.23.

**Cash Position Statement:** Mr. Italiano distributed cash position statement as of June 11, 2014 for the Board's review.

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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 reported to the Board that three surveys are still needed and that three residents just agreed to send them back. Directors Coffman and Hoel have agreed to take the surveys door to door to gather additional signatures, as needed.

**Amended Annual Administrative Resolution:** Mr. Italiano reviewed Board correspondence regarding the Annual Administrative Resolution and their determination of payment of Directors' fees with the Board.

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 adopted the Annual Administrative Resolution as amended, to permit each Director to decide for themselves if they want to receive meeting compensation as authorized by statute.

### **LEGAL MATTERS**

**Board Vacancy Process:** Attorney Fritsche discussed the process for appointing a new Board member. She will draft a Notice of Vacancy for review by Director's Coffman and Winterer to place on the District's website.

Following discussion, upon motion duly made by Director Holder, seconded by Director Winterer and, upon vote, unanimously carried, the Board approved a question and answer session to be held at the July Board meeting for any interested candidates, which will be limited to five minutes for each eligible candidate.

**Appointment of Secretary:** The Board discussed the need to fill the position of Secretary.

Following discussion, upon motion duly made by Director Hoel, seconded by Director Holder and, upon vote, carried with Directors Hoel, Holder and Coffman voting "Yes" and Director Winterer "abstaining", the Board appointed Director Winterer as Secretary.

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**Resolution Confirming the Official Custodian of District Records and Adopting Changes to CORA Statute:** Attorney Fritsche reviewed and discussed with the Board a Resolution Designating the Official Custodian of Records and Adopting a Policy on Responding to Open Records Requests.

Following discussion, upon motion duly made by Director Holder, seconded by Director Hoel and, upon vote, carried with Directors Holder, Hoel and Coffman voting "Yes" and Director Winterer voting "No", the Board adopted the Resolution Designating the Official Custodian of Records and Adopting a Policy on Responding to Open Records Requests.

**EXECUTIVE SESSION:** Pursuant to Section 24-6-402(4)(b) and (e) of the Colorado Revised Statutes, upon motion duly made by Director Holder, 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 7:50 p.m. for the purpose of receiving legal advice and instructing negotiators on matters related to Lost Dutchman Appeal to Board of County Commissioners of Denial of Petition for Exclusion and a Complaint filed on behalf of Peter and Jacqueline Kuyper, PK Enterprises, Inc., and TH Promotions under the District's Rules and Regulations.

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 9:20 p.m.

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### **OTHER BUSINESS**

Mr. Italiano presented to the Board a "Past Due Vendor" memo and attachment and asked the Board to provide their comments within two weeks so that he may finalize and move forward with payments.

Director Winterer asked the Board to consider approving the draft now.

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 authorized Mr. Italiano to pay off past due balances owed to vendors as presented on the "Past Due Vendor" memo and attachment, such that a 24 month payout window be utilized.

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### ADJOURNMENT

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

Respectfully submitted,

By 

Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JUNE 18, 2014  
MINUTES OF THE ARABIAN ACRES METROPOLITAN DISTRICT BY  
THE BOARD OF DIRECTORS SIGNING BELOW:

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

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

*Robert D Winterer*  
\_\_\_\_\_  
Robert "Elric" Winterer

\_\_\_\_\_  
Wade Holder

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

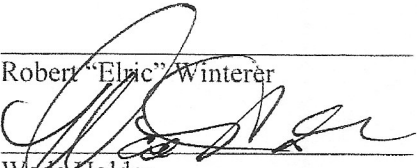
Respectfully submitted,

By \_\_\_\_\_  
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JUNE 18, 2014  
MINUTES OF THE ARABIAN ACRES METROPOLITAN DISTRICT BY  
THE BOARD OF DIRECTORS SIGNING BELOW:

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

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

\_\_\_\_\_  
Robert "Elic" 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 7:50 p.m. on June 18, 2014 for the sole purpose of discussing matters pertaining to Lost Dutchman Appeal to Board of County Commissioners of Denial of Petition for Exclusion and a Complaint filed on behalf of Peter and Jacqueline Kuyper, PK Enterprises, Inc., and TH Promotions under the District's Rules and Regulations. 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:

7/20/2014