



REGULAR BOARD MEETING AGENDA AND NOTICE

WEDNESDAY, JUNE 15, 2022

5:30 PM

Please join my meeting from your computer, tablet or smartphone.

<https://meet.goto.com/800588117>

You can also dial in using your phone.

United States: [+1 \(872\) 240-3212](tel:+18722403212)

Access Code: 800-588-117

Board of Director	Title	Term
Edith Coffman	President	May 2023
Lanny Hoel	Treasurer	May 2023
Elizabeth Douglas	Secretary	May 2023
Martin Lempecki	Assistant Secretary	May 2025
Jennifer Shepard	Assistant Secretary	May 2025

NOTICE IS HEREBY GIVEN that a Meeting of the Board of Directors of ARABIAN ACRES METROPOLITAN DISTRICT, Teller County, Colorado has been scheduled pursuant to emergency rules and regulations for Wednesday, June 15, 2022 at 5:30 p.m. via tele/videoconference for the purpose of addressing those matters in the Agenda set forth below.

Management Team

Lynn Willow, ORC

Kevin Walker, WSDM

Rebecca Hardekopf, WSDM

Jason Downie, District Legal Counsel

1) ADMINISTRATIVE MATTERS

- a) Call to Order & Declaration of Quorum
- b) Confirm any Potential Conflicts of Interest
- c) Discussion and Approval of the Agenda
- d) Consider Approval of Meeting Minutes from April 20, 2022 and May 18, 2022 (enclosed)

2) FINANCIAL MATTERS

- a) Review of Billing and Collection Status
- b) Review and accept the May 31, 2022, Unaudited Financial Status
 - i) Discuss the February Leak cost total
- c) Confirm the Line of Credit amount with Ferguson Water Works
- d) Review and Approve the Payment of Claims
- e) 2021 Audit Update

3) MANAGEMENT MATTERS

- a) Discuss new process and fees for any future Petitions of Exclusions

4) LEGAL MATTERS

- a) Review and Approve Resolution that confirms exclusions of property

5) OPERATIONS

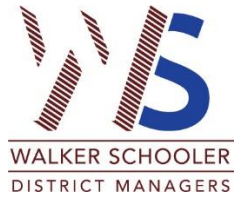
- a) ORC Report
- b) Updated on Tank coating project
- c) Leak data report

6) PUBLIC COMMENT

Comments will be limited to 3 minutes. Please remain respectful of the Board of Directors as well as of your fellow residents.

7) ADJOURNMENT

THE NEXT REGULARLY SCHEDULED MEETING IS SCHEDULED FOR WEDNESDAY, JULY 20, 2022 AT 5:30 PM.





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

April 20, 2022 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
Rebecca Hardekopf, WSDM
Lynn Willow, ORC

1) ADMINISTRATIVE MATTERS

- a) Call to Order & Declaration of Quorum: President Coffman called the meeting to order at 5:30 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: The Board approved the Agenda as presented.
- d) Consider Approval of Meeting Minutes from March 16, 2022: After review, Director Douglass moved to approve the Meeting Minutes from March 16, 2022; seconded by Director Claassen. Motion passed unanimously.

2) FINANCIAL MATTERS

- a) Review of Billing and Collection Status: Ms. Hardekopf presented the Billing and Collection status. There were three shutoffs this month and all three paid as of today. 10 reminder letters were sent last Friday.
- b) Review and accept the March 31, 2022 Unaudited Financial Status: Ms. Hardekopf presented the March 31, 2022 Unaudited Financial status. The Board discussed the total cost of the February leak is \$15,000 with invoices coming in for repairs. Director Douglass moved to accept the March 31, 2022 Unaudited Financial Status; seconded by Director Brown. Motion passed unanimously.
- c) Review and Approve the Payment of Claims: Ms. Hardekopf presented the Payment of Claims. After review, Director Douglass moved to approve the Payment of Claims; seconded by Director Brown. Motion passed unanimously.
- d) Director Brown discussed the history of the reserve fund. He suggested that the reserve fund remain the same and the mill levy be reduced and adjusted as necessary to better match the bond payment. President Coffman commented that we don't know if the tax income will remain the same and if the property values will remain the same and that is why she voted against. Director Douglass also noted that there was discussion on if the mill levy was reduced could it be raised again without a vote, and nobody knew the

answers to that. Director Brown commented that he thinks it is unfair to the people who overpay in the beginning and then it is potentially refunded to other people at the end. He thinks more research needs to be done on this issue and address these questions. President Coffman commented that last time the mill levy was raised it was a big deal and a lot of people were against it. She believes that it is better to have more money than what we need than not enough money and need it to pay the bond. Director Douglass asked if the bond could be paid off early. The Board requested that Ms. Hardekopf research this issue to answer some of these questions. The Board agreed to continue discussions on this issue.

3) MANAGEMENT MATTERS

- a) Update on Exclusion Process with Teller County: Ms. Hardekopf reported there was a meeting with the Planning Commission on April 12th, and they recommended the decision to the Board of County Commissioners. The meeting with the Board of County Commissioners will be held on May 12, 2022. Notices have been sent out to property owners in the District and posted on the District website. Mr. Walker explained the requirement for a material modification of the service plan in order to do exclusions be removed which passed unanimously at the Planning Commission meeting, and that will be recommended to the Board of County Commissioners. It effectively allows the exclusion process to move forward. President Coffman commented that she was assured by Mr. Downie that the excluded properties will still be required to pay the original bond.
- b) Review and consider approval for Leak Adjustment Policy: President Coffman noted the language regarding the design and construction services being inspected by the District Manager. She suggested it be changed to inspected by the ORC. She also noted adding language regarding utilizing professional services to inspect lines and make repairs. After discussion, Director Douglass moved to approve the Leak Adjustment Policy as amended; seconded by Director Claassen. Motion passed unanimously.
- c) Capital Improvements Discussion: Mr. Walker noted he is working to bring this issue up in the Fall during budget discussions and a long-term budget plan.

4) LEGAL MATTERS

- a) 2022 Election Update: Ms. Hardekopf reported the new Directors will complete their Oaths of Office and qualifications to be seated on the Board at the next Board meeting after the cancelled election on May 3, 2022.

5) OPERATIONS

- a) Review and update on February leak: Mr. Willow updated the Board on the February leak and noted it is located and repaired as of today. The leak was located at the service line for 14 Donzi Circle between the curb stop and the meter pit. When the line was connected from the meter pit to the curb stop, an interior connection was used instead of an exterior material. The Board discussed that this work was done by Velocity during the meter project, and it is no longer under warranty. The Board discussed this is a defective installation and the leak was caused by Velocity's work. Mr. Walker will look into pursuing the contractor for damages.
- b) ORC Report: Mr. Willow presented the Operator's Report.

6) PUBLIC COMMENT

Mr. Elric Thurstonson commented that he is impressed with how well things are running right now. He is sorry to hear about the leak and the cause, and he hopes that the District can get compensation. He thanked Directors Brown and Claassen for their

time and service to the Board. Director Douglass also thanked Directors Brown and Claassen for their service.

- 7) **ADJOURNMENT:** Director Douglass moved to adjourn the meeting at 6:41 PM; seconded by Director Brown. Motion passed unanimously.

THE NEXT REGULARLY SCHEDULED MEETING IS SCHEDULED FOR WEDNESDAY, MAY 18, 2022 AT 5:30 PM.

Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 20, 2022 REGULAR MEETING MINUTES OF THE ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

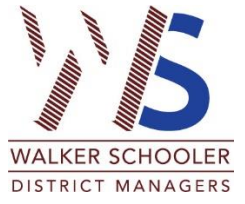
Allan Brown

Stan Claassen

Edith Coffman

Elizabeth Douglass

Lanny Hoel





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Stan Claassen

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Lynn Willow, ORC

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- a) Call to Order & Declaration of Quorum: President Coffman called the meeting to order at 5:30 PM and confirmed a quorum was present.
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Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 20, 2022 REGULAR MEETING MINUTES OF THE ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Allan Brown

Stan Claassen

Edith Coffman

Elizabeth Douglass

Lanny Hoel



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

May 18, 2022 at 5:30 P.M.
Via Telephone and Video Conference Call

In attendance were Directors:

Edith Coffman
Elizabeth Douglass
Lanny Hoel
Martin Lempecki (Excused)
Jennifer Shepard

Also in attendance were:

Kevin Walker, WSDM
Rebecca Hardekopf, WSDM
Lynn Willow, ORC

1) ADMINISTRATIVE MATTERS

- a) Call to Order & Declaration of Quorum: President Coffman called the meeting to order at 5:32 PM and confirmed a quorum was present with Director Lempecki absent.
- 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: President Coffman requested the addition of Agenda item 2.d. Approval of Credit Application for Ferguson. Director Douglass moved to approve the Agenda as amended; seconded by Director Hoel. Motion passed unanimously.
- d) Discussion and Appointment of Board Officers: Ms. Hardekopf explained the Board has the option to reassign the officer positions if they want to. Ms. Hardekopf provided a quick summary of the officer roles. After discussion, the Board agreed to keep the officer positions with Director Coffman as President, Director Douglass as Secretary, Director Hoel as Treasurer, and Directors Lempecki and Shepard as Assistant Secretary.
- e) Consider Approval of Meeting Minutes from April 20, 2022: President Coffman commented that the minutes were not accurate and not complete. She explained that the discussion regarding the Planning Commission meeting was not accurate. Mr. Walker commented that the minutes are accurate, but she can table them if she would like. Mr. Walker will provide the minutes of the Planning Commission meeting that stated they voted to recommend to the Board of County Commissioners that the service plan be amended to remove the requirement for exclusions to be a major modification which was adopted by the Planning Commission. Mr. Walker explained that at the Planning Commission meeting, they did not turn down the District's item but turned down the request by the County Planning Director to modify the land use code which was not the District's item. The Planning Commission recommended unanimous approval of the District's item. President Coffman requested the minutes of the Planning Commission be put into the record. The Board took no action on the April 20, 2022 Meeting Minutes.

2) FINANCIAL MATTERS

- a) Review of Billing and Collection Status: Ms. Hardekopf presented the Billing and Collection status. There is one ongoing shutoff and one new payment arrangement. Ms. Hardekopf explained the late fee process and late fees are charged on the 6th of the month. There is also a \$50 shutoff fee. President Coffman discussed a customer who does not pay until they receive the warning letter and asked if there is something that can be done to deter that and prevent Mr. Willow from having to drive and come post letters. Ms. Hardekopf explained another district charges an additional fee for just posting the shutoff notice letters. She noted it would require a public hearing with 30 days' notice to modify the Fees Resolution. Ms. Hardekopf will provide a memo that explains the process to modify the fees.
- b) Review and Accept the April 30, 2022 Unaudited Financial Status: Ms. Hardekopf presented the April 30, 2022 Unaudited Financial status. Director Douglass requested the income statement have a column that shows a comparison to the previous month. Ms. Hardekopf confirmed that can be done. Director Douglass moved to accept the April 30, 2022 Unaudited Financial Status; seconded by Director Shepard. Motion passed unanimously.
- c) Review and Approve the Payment of Claims: Ms. Hardekopf presented the Payment of Claims. Director Douglass asked about the final numbers of the February leak. Ms. Hardekopf will find out if there is an invoice for KA Excavating that is not yet reflected. Ms. Hardekopf noted the insurance payment increased by \$75 for the temporary water tank. She also noted that Director Lempecki's payment will be removed if he is unable to join the meeting. President Coffman asked about Zion Bank coming from the general fund. Ms. Hardekopf confirmed it should be coming out of the bond fund and she will get that corrected. Ms. Hardekopf explained the United Fire Group was a mistake and will be removed. Mr. Willow explained the Front Range invoice is for parts to connect the temporary tank. Mr. Walker noted the District will request reimbursement for those invoices for the tank project from the grant. Director Douglass moved to approve the Payment of Claims less Director Lempecki's payment and less the United Fire Group invoice and the addition of the \$75 insurance payment; seconded by Director Hoel. Motion passed unanimously.
- d) Approval of Credit Application for Ferguson: President Coffman requested Board approval for credit from Ferguson. Mr. Walker explained that Mr. Willow requested the District obtain a line of credit or account from Ferguson Water Works. Mr. Willow explained that Ferguson Water Works is a local supplier that carries the larger infrastructure parts that the District needs. He noted that the District has an account with WinWater, and they also supply the parts but are more expensive and does not have the same parts. He noted it would be easier and more efficient to have an account at both suppliers. President Coffman moved to approve the line of credit at Ferguson Water Works for the District's use; seconded by Director Shepard. Motion passed unanimously. Ms. Hardekopf will inform the Board of the line of credit amount.

3) MANAGEMENT MATTERS

- a) Update on Exclusion Process with Teller County: Mr. Walker reported that the Board of County Commissioners heard the District's item on April 12th and approved the modification of the service plan to allow different language and removed 16 items that were considered to be changes that would require a material modification of the service plan. The approval allows the material modifications to be defined by the State statute. Mr. Walker noted the County Commissioners were thankful of the District's patience

during the process and were appreciative that the District was working through a solution to the question regarding service to Trout Haven. The service plan is now amended to not require County Commissioner approval of the exclusions. Mr. Downie recommends the Board adopt a confirming resolution next month for the petitions that were approved by the Board last May to finalize them and have the properties excluded. After the adoption, Mr. Downie will file the proper documentation with the court. Mr. Walker discussed the possible future petitioners. Mr. Walker requested the Board discuss and establish a process for future petitioners including a preliminary application and meeting with the district manager to make sure the petitions are correct and discuss fees.

- b) Capital Improvements Discussion: Mr. Walker reported that he is researching additional leak detection equipment.
- c) Update on Tank Coating Project: Mr. Willow reported the temporary tank is up and the coating company has begun sandblasting. After sandblasting, they will clean and coat the sides and the top of the tank first and then will finish the bottom last with a total of two coats.
- d) Discuss SDA Workshop: Ms. Hardekopf discussed the upcoming SDA workshop and noted it is \$30 registration for Board members. There is a half day workshop in Fountain on June 20th and the Denver workshop will be made available online for free. Director Shepard noted she would be interested in the online workshop.

4) LEGAL MATTERS

- a) Ratify Amaritech Contract for Tank Coating Project: After review, President Coffman moved to ratify the Amaritech contract for the tank coating project; seconded by Director Shepard. Motion passed unanimously.

5) OPERATIONS

- a) ORC Report: Mr. Willow presented the Operator's Report. The Board discussed that they did a great job providing pictures and setting up the temporary tank.

- 6) **PUBLIC COMMENT:** There was no public comment. Director Douglass discussed upcoming fire mitigation and confirmed with Mr. Willow there will not be an issue with water system infrastructure. She noted there is not a final date yet.

- 7) **ADJOURNMENT:** Director Douglass moved to adjourn the meeting at 6:44 PM; seconded by Director Hoel. Motion passed unanimously.

THE NEXT REGULARLY SCHEDULED MEETING IS SCHEDULED FOR WEDNESDAY, JUNE 15, 2022 AT 5:30 PM.

Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL MAY 18, 2022 REGULAR MEETING MINUTES OF THE ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

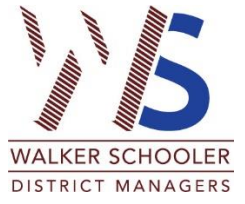
Edith Coffman

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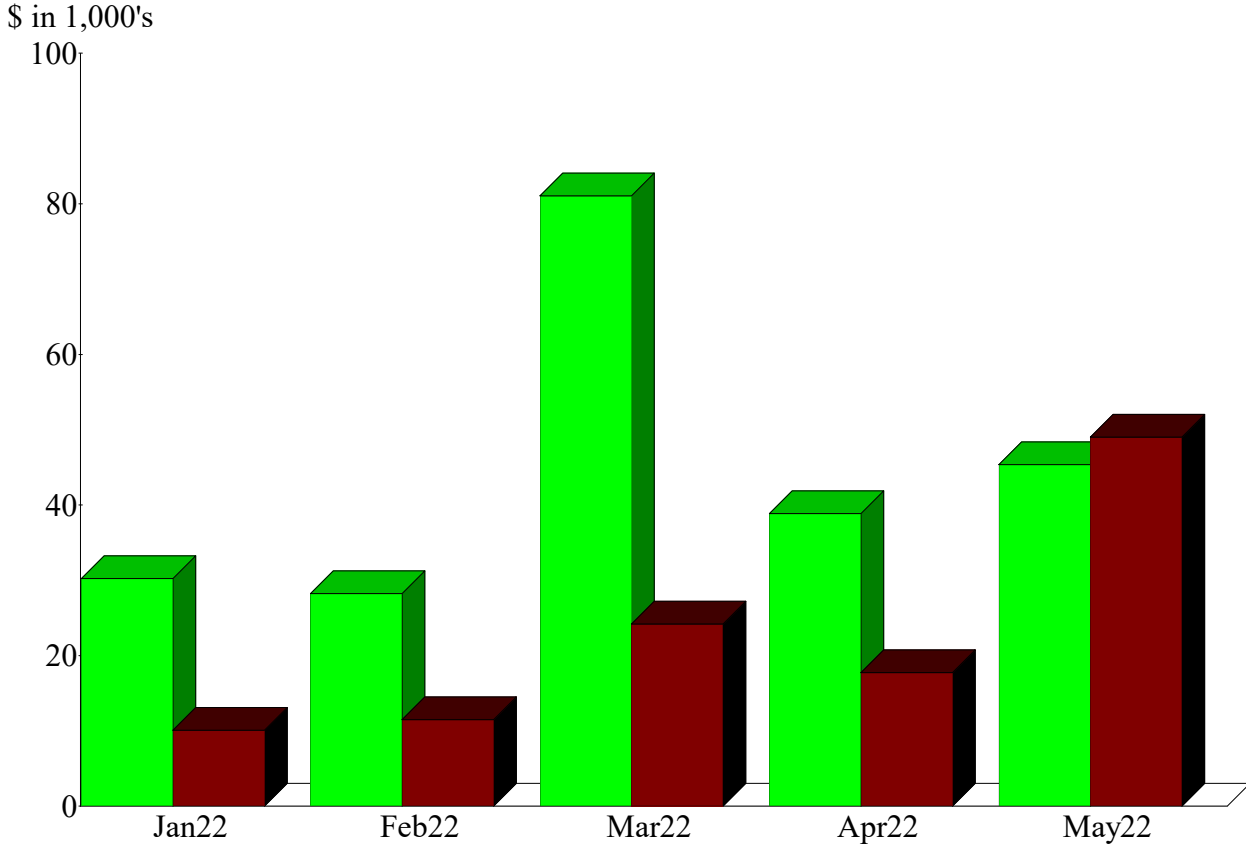
Arabian Acres Metropolitan District
Balance Sheet
As of May 31, 2022

	May 31, 22
ASSETS	
Current Assets	
Checking/Savings	
ECB Checking	367,821.56
2-1000 · COLOTRUST 4001	115,258.95
2-1020 · COLOTRUST Reserve 8002	32,028.73
3-1000 · COLOTRUST-Capital Reserve 8003	237,861.76
Total Checking/Savings	752,971.00
Accounts Receivable	
1-1200 · Accounts Receivable	31,069.15
Total Accounts Receivable	31,069.15
Other Current Assets	
1-1300 · Property Tax Receivable	60,290.16
Total Other Current Assets	60,290.16
Total Current Assets	844,330.31
Fixed Assets	
1-1850 · Construction in Progress	2,400,793.62
Total Fixed Assets	2,400,793.62
Other Assets	
3-1500 · Capital Assets	1,263,742.90
3-1520 · Equipment	702,640.55
3-1540 · Land	101,000.00
3-1560 · Water Rights	172,588.00
3-1590 · Accumulated Depreciation	-514,745.00
Total Other Assets	1,725,226.45
TOTAL ASSETS	4,970,350.38
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
1-2000 · Accounts Payable	18,391.00
Total Accounts Payable	18,391.00
Other Current Liabilities	
1-2050 · Retainage Payable	107,100.00
1-2020 · Accrued Interest	9,885.30
2-2200 · Deferred Revenue-Property Taxes	60,290.16
Total Other Current Liabilities	177,275.46
Total Current Liabilities	195,666.46
Long Term Liabilities	
DWRP 1.5 Million Loan	1,062,557.99
2-2400 · 2007 Bonds Payable	970,000.00
2-2440 · Natural Rural Water	32,596.16
3-4090 · CWCB Meter Loan 400K	174,653.81
Total Long Term Liabilities	2,239,807.96
Total Liabilities	2,435,474.42
Equity	
30000 · Opening Balance Equity	215,933.51
32000 · Retained Earnings	2,207,695.98
Net Income	111,246.47
Total Equity	2,534,875.96
TOTAL LIABILITIES & EQUITY	4,970,350.38

Arabian Acres Metropolitan District Profit & Loss Budget vs. Actual January through May 2022

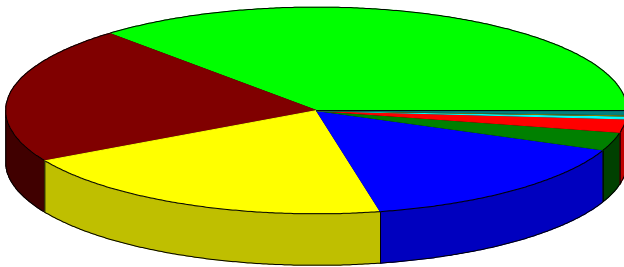
	TOTAL					
	Apr 22	May 22	Jan - May 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense						
Income						
1-4000 · Capital Improvement Fees	8,509.78	10,037.63	48,273.56	106,000.00	-57,726.44	45.54%
1-4030 · Late Fee Revenue	230.00	362.48	1,376.40			
1-4050 · Water Service Fee	8,046.08	9,455.49	45,478.76	100,000.00	-54,521.24	45.48%
1-4080 · Water Usage	5,997.29	6,918.04	34,794.02	100,000.00	-65,205.98	34.79%
2-4400 · Property Tax Revenue	14,739.66	10,617.44	82,001.76	142,291.92	-60,290.16	57.63%
2-4450 · Specific Ownership Tax	1,214.79	1,146.37	4,763.36	9,960.43	-5,197.07	47.82%
2-4460 · Restitution	16.77	16.77	83.85			
2-4470 · State Senior/ Veteran Funds	0.00	6,551.07	6,551.07			
Total Income	38,754.37	45,105.29	223,322.78	458,252.35	-234,929.57	48.73%
Gross Profit	38,754.37	45,105.29	223,322.78	458,252.35	-234,929.57	48.73%
Expense						
1-6110 · Audit	0.00	0.00	0.00	8,000.00	-8,000.00	0.0%
1-6020 · Bank Service Charges	0.00	20.00	20.00	100.00	-80.00	20.0%
1-6120 · Directors Fees	500.00	400.00	2,900.00	7,500.00	-4,600.00	38.67%
1-6050 · District Management-Operating	3,908.37	3,908.37	19,541.85	54,000.00	-34,458.15	36.19%
1-6060 · Dues Fees and Subscriptions	0.00	18.20	498.58	2,500.00	-2,001.42	19.94%
1-6070 · Election Expense	57.53	0.00	267.19	10,000.00	-9,732.81	2.67%
1-6080 · Insurance Expense-Operating	0.00	79.00	79.00	8,000.00	-7,921.00	0.99%
1-6130 · Legal						
1-6135 · Trout Haven Exclusions	0.00	0.00	327.36			
1-6130 · Legal - Other	0.00	0.00	0.00	10,000.00	-10,000.00	0.0%
Total 1-6130 · Legal	0.00	0.00	327.36	10,000.00	-9,672.64	3.27%
1-6180 · ORC Fees-Operating	3,307.50	3,307.50	16,537.50	48,000.00	-31,462.50	34.45%
1-6160 · Other Expense	0.00	0.00	0.00	22,000.00	-22,000.00	0.0%
1-6100 · Postage and Copies-Operating	168.34	43.90	625.53	4,000.00	-3,374.47	15.64%
1-6170 · Chemicals and Supplies	0.00	0.00	0.00	2,000.00	-2,000.00	0.0%
1-6190 · Repairs and Maintenance	7,375.00	11,145.85	20,856.58	30,000.00	-9,143.42	69.52%
1-6210 · Utilities	931.35	1,380.31	5,306.40	12,500.00	-7,193.60	42.45%
1-6150 · Water Billing	675.00	675.00	3,375.00	10,000.00	-6,625.00	33.75%
1-6220 · Water Distribution Purchases	0.00	0.00	7,425.00	10,000.00	-2,575.00	74.25%
1-6230 · Water Testing	21.00	365.33	509.33	4,000.00	-3,490.67	12.73%
2-6240 · Treasurer Collection Fee	442.33	318.53	2,460.19	4,268.76	-1,808.57	57.63%
3-6100 · Postage and Copies	0.00	343.73	577.29	0.00	577.29	100.0%
63400 · Interest Expense	0.00	2,699.71	2,699.71	5,356.10	-2,656.39	50.4%
63500 · Bond Principal Payment	0.00	0.00	0.00	75,000.00	-75,000.00	0.0%
Total Expense	17,386.42	24,705.43	84,006.51	327,224.86	-243,218.35	25.67%
Net Ordinary Income	21,367.95	20,399.86	139,316.27	131,027.49	8,288.78	106.33%
Other Income/Expense						
Other Income						
2-7000 · Interest Income	123.82	242.11	472.02			
Total Other Income	123.82	242.11	472.02			
Other Expense						
2-8000 · Bond Interest	0.00	24,250.00	24,250.00	48,500.00	-24,250.00	50.0%
2-8050 · National Rural Water Interest	85.74	83.65	439.14	990.81	-551.67	44.32%
2-8055 · Interest Expense - CWCD	0.00	0.00	3,602.68	23,688.07	-20,085.39	15.21%
2-8080 · Trustee Fees	250.00	0.00	250.00	500.00	-250.00	50.0%
Total Other Expense	335.74	24,333.65	28,541.82	73,678.88	-45,137.06	38.74%
Net Other Income	-211.92	-24,091.54	-28,069.80	-73,678.88	45,609.08	38.1%
Net Income	21,156.03	-3,691.68	111,246.47	57,348.61	53,897.86	193.98%

Income and Expense by Month January through May 2022



Income Summary January through May 2022

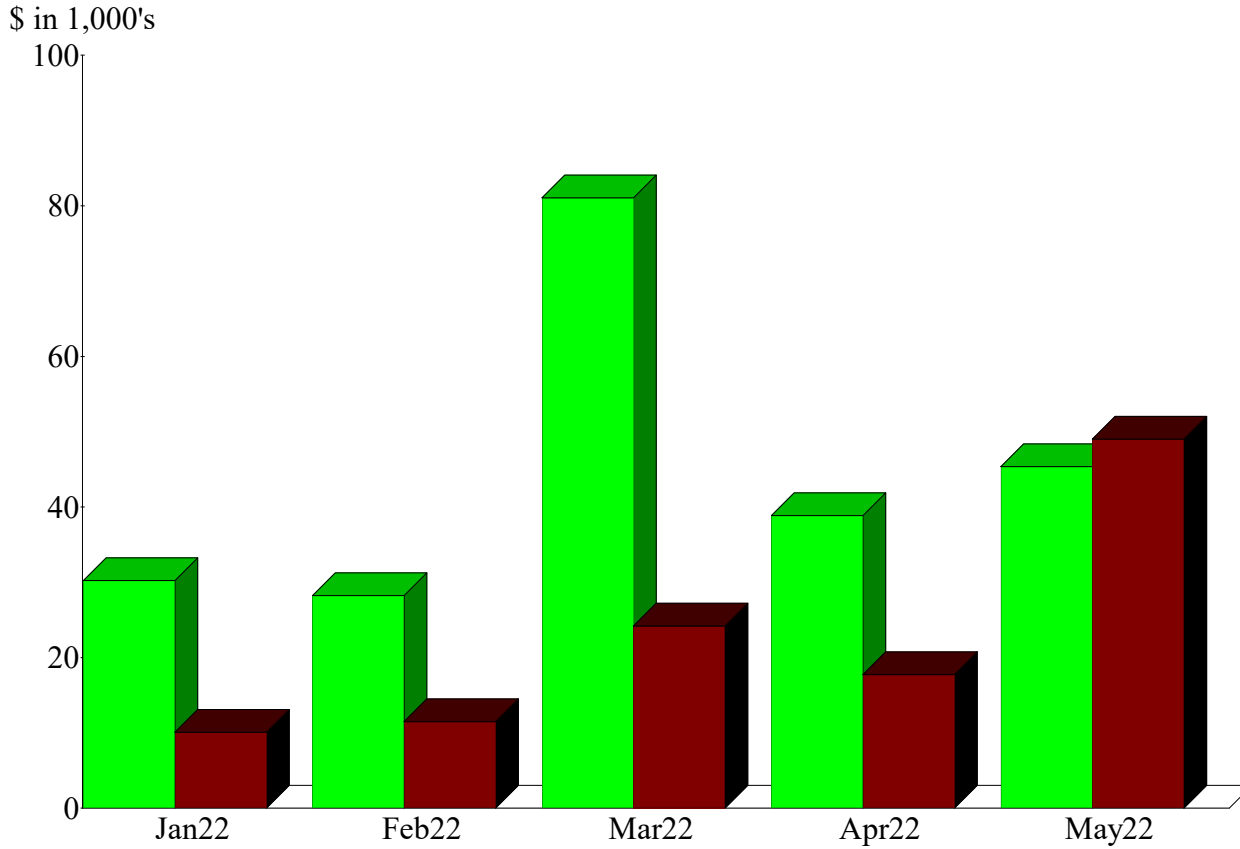
2-4400 · Property Tax Revenue	36.64%
1-4000 · Capital Improvement Fees	21.57
1-4050 · Water Service Fee	20.32
1-4080 · Water Usage	15.55
2-4470 · State Senior/ Veteran Funds	2.93
2-4450 · Specific Ownership Tax	2.13
1-4030 · Late Fee Revenue	0.62
2-7000 · Interest Income	0.21
2-4460 · Restitution	0.04
Total	\$223,794.80



By Account

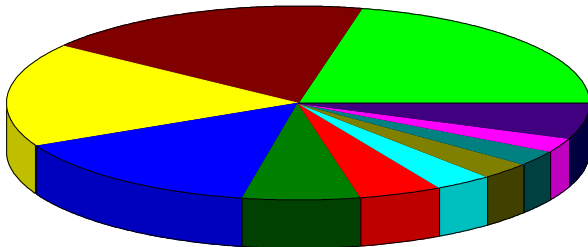
Income and Expense by Month
January through May 2022

Income
Expense



Expense Summary
January through May 2022

2-8000 · Bond Interest	21.55%
1-6190 · Repairs and Maintenance	18.53
1-6050 · District Management-Operating	17.36
1-6180 · ORC Fees-Operating	14.69
1-6220 · Water Distribution Purchases	6.60
1-6210 · Utilities	4.71
2-8055 · Interest Expense - CWCD	3.20
1-6150 · Water Billing	3.00
1-6120 · Directors Fees	2.58
63400 · Interest Expense	2.40
Other	5.38
Total	\$112,548.33



By Account

Arabian Acres Metropolitan District

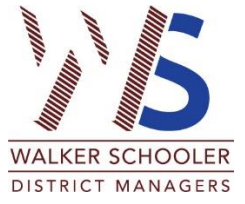
PAYMENT REQUEST

6/15/2022

GENERAL FUND

Company	Invoice	Date	Amount	Comments
Edith Coffman	061522EC	6/15/2022	\$ 100.00	
Lanny Hoel	061522LH	6/15/2022	\$ 100.00	
Elizabeth Douglas	061522ED	6/15/2022	\$ 100.00	
Jennifer Shepard	061522JS	6/15/2022	\$ 100.00	
Martin Lempecki	061522ML	6/15/2022	\$ 100.00	
Colorado Analytical	220520014	5/26/2022	\$ 303.00	
Core Electric Coop	43183502	5/23/2022	\$ 181.66	ACH
Core Electric Coop	43071702	5/23/2022	\$ 38.07	ACH
Core Electric Coop	40299901	5/23/2022	\$ 83.01	ACH
Core Electric Coop	40032202	5/23/2022	\$ 131.16	ACH
Core Electric Coop	40045402	5/23/2022	\$ 72.25	ACH
El Paso County Public Health	53122	5/31/2022	\$ 42.00	
J.A. Excavation & Septic's LLC	53122	5/31/2022	\$ 500.00	
J.A. Excavation & Septic's LLC	53122-1	5/31/2022	\$ 2,807.50	
K&A Excavating	AAWD0522	5/24/2022	\$ 9,470.00	
Lynn Willow	51922	5/19/2022	\$ 20.33	
Mailing Services Inc	16609	5/10/2022	\$ 117.84	
Mailing Services Inc	16669	5/24/2022	\$ 225.89	
National Rural Water Association	7/122	5/1/2022	\$ 924.10	
Rain For Rent	1746315	6/6/2022	\$ 6,635.08	
UNCC	222050065	5/31/2022	\$ 18.20	
Walker Schooler District Managers	7077	5/31/2022	\$ 4,627.27	
TOTAL			\$ 26,697.36	

Director



**RESOLUTION AND ORDER
OF THE
BOARD OF DIRECTORS
OF
ARABIAN ACRES METROPOLITAN DISTRICT APPROVING AN EXCLUSION OF
CERTAIN REAL PROPERTY**

WHEREAS, certain duly acknowledged Petitions for Exclusion (collectively “Petitions” or individually as “Petition”) were filed with the Board of Directors of the Arabian Acres Metropolitan District (“District”), copies of which are attached hereto as **Exhibit A** and incorporated by reference; and

WHEREAS, at the time of signature, each Petition was signed by one hundred percent (100%) of the fee owners (collectively “Petitioners” or individually “Petitioner”) with respect to the real property (collectively the “Properties”) described in each Petition; and

WHEREAS, such Petitions were heard at a public meeting of the Board of Directors of the District on May 12, 2012, 2021 at 5:30 p.m. after publication of the notice of filing of such Petitions, and the place, time, date, manner of such hearing, the name and address of each Petitioner, and a general description of the property to be excluded in the Pikes Peak Courier on April 7, 14, and 21 of the year 2021, a copy of the proof of publication is attached hereto and incorporated as **Exhibit B**; and

WHEREAS, given the COVID-19 Pandemic, such meeting was held via teleconference pursuant to the emergency declaration and was attended by following link and phone number: <https://global.gotomeeting.com/join/800588117> and by phone at +1 (872) 240-3212 Access Code: 800-588-117;

WHEREAS, no written objection to the exclusions was, or has been filed by any person; and

WHEREAS, accordingly the District passed the following resolutions which were contingent upon approval from the BOCC; (i) Resolution No. 1 (DocuSign Envelope ID: 4FA80A7B-8528-482A-BCDE-6339E58949EC); (ii) Resolution No. II (DocuSign Envelope ID: 939935D7-3054-4114-B498-96D8D5D28B5D); (iii) Resolution No. III (DocuSign Envelope ID: E40B41E7-8728-41CF-A2E6-244DDA1AED57); and (iv) Resolution No. IV (DocuSign Envelope ID: 48A2D37F-FE2C-4EB6-A6F0-95DBF4D0E517) (collectively the “Exclusion Resolutions”); and

WHEREAS, the Exclusion Resolutions are attached hereto as **Exhibit C**; and

WHEREAS, the District’s Service Plan at the time stated in § IX that “The District will obtain approval from the County (the “BOCC”) before making any material modifications to the Service Plan; and

WHEREAS, the District's Service Plan at the time also provided that the exclusion of any property from the District was considered a material modification; and

WHEREAS, final approval of exclusion of the Properties as set forth in the Exclusion Resolutions, was to be finally acted upon by separate resolution of the District's Board of Directors after consideration of the BOCC; and

WHEREAS, the BOCC has effectively approved the exclusions made by the District set forth in the Exclusion Resolutions, including the District's authority to make such exclusions without further approval of the BOCC, by amending the District's Service Plan on May 11, 2022, to provide that County approval of any exclusion is no longer a material modification; and

WHEREAS, the condition or contingency of County or BOCC approval has been satisfied, waived, or otherwise met, and the District's Board of Directors hereby ratifies, gives final approval, and orders the exclusion of the Properties as set forth in the Exclusion Resolutions.

NOW, THEREFORE, BE IT RESOLVED, ORDERED, AND FOUND BY THE BOARD OF DIRECTORS OF THE ARABIAN ACRES METROPOLITAN DISTRICT OF TELLER COUNTY, COLORADO:

1. Based on the recitals above, which are incorporated into the District Board's findings, the District Board Orders the exclusion of the Properties described in the Petitions, as well as the Exclusion Resolutions.
2. The District Board incorporates in this Resolution its findings and orders as set forth in the Exclusion Resolutions, excluding any conditions or contingencies.
3. District Board hereby finds the following bonded indebtedness which exists immediately preceding the effective date of the order for which the excluded property is liable: 2007 Series Bonds issued April 4, 2007, in the amount of \$1,425,000 scheduled to be retired December 31, 2030 ("2007 Series Bonds").
4. Pursuant to C.R.S. § 32-1-503(1), once excluded, the Properties shall remain liable for their proportionate share of principal and interest on any outstanding bonded indebtedness of the District existing immediately prior to the effective date of the exclusion order.
5. This Resolution shall be certified and filed with the Clerk of the District Court of Teller County in accordance with § 32-1-501(4)(b).
6. The District Board hereby directs its legal counsel to file a motion with the District Court seeking an Order for Exclusion for the Properties constant with this Resolution.

APPROVED, ORDERED, AND ADOPTED THIS 15TH DAY OF JUNE, 2022

ARABIAN ACRES METROPOLITAN DISTRICT

By: _____
Edith Coffman, President

Martin Lempecki

Jennifer Shepard

Elizabeth Douglass

Lanny Hoel

ATTEST:

[DISTRICT SEAL]

By: _____
Elizabeth Douglas, Secretary

**RESOLUTION AND ORDER
OF THE
BOARD OF DIRECTORS
OF
ARABIAN ACRES METROPOLITAN DISTRICT APPROVING A CONDITIONAL
EXCLUSION OF CERTAIN REAL PROPERTY**

WHEREAS, duly acknowledged Petitions for Exclusion (collectively “Petitions” or individually as “Petition”) were filed with the Board of Directors of the Arabian Acres Metropolitan District (“District”), copies of which are attached hereto as **Exhibit A** and incorporated by reference; and

WHEREAS, each Petition is signed by one hundred percent (100%) of the fee owners (collectively “Petitioners” or individually “Petitioner”) with respect to the real property (collectively the “Properties”) described in each Petition; and

WHEREAS, such Petitions were heard at a public meeting of the Board of Directors of the District on May 12, 2012, 2021 at 5:30 p.m. after publication of the notice of filing of such Petitions, and the place, time, date, manner of such hearing, the name and address of each Petitioner, and a general description of the property to be excluded in the Pikes Peak Courier on April 7, 14, and 21 of the year 2021, a copy of the proof of publication is attached hereto and incorporated as **Exhibit B**; and

WHEREAS, given the current COVID-19 Pandemic, such meeting was held via teleconference pursuant to the emergency declaration and was attended by following link and phone number: <https://global.gotomeeting.com/join/800588117> and by phone at +1 (872) 240-3212 Access Code: 800-588-117;

WHEREAS, no written objection to the exclusions has been filed by any person; and

WHEREAS, the District’s Service Plan in § IX states “The District will obtain approval from the County before making any material modifications to this Service Plan; and

WHEREAS, the District’s Service Plan expressly provides that the exclusion of any property from the District is considered a material modification; and

WHEREAS, the exclusion of any property from the District cannot be effected without violating the District’s Service Plan until after the Teller County Colorado Board of County Commissioner’s (“BOCC”) approves of such exclusion; and

WHEREAS, final approval of exclusion of the Properties, in whole or part, shall be acted upon by separate resolution of the District’s Board of Directors upon approval of the BOCC of the exclusion of Properties, in whole or part.

THE BOARD NOW FINDS AFTER CONSIDERATION OF THE FACTORS LISTED IN C.R.S. § C.R.S. § 32-1-501(3):

A. The best interests of (i) the Properties to be excluded, (ii) the District, and (iii) Teller County Colorado:

(i) The exclusion is in the best interest of the Properties to be excluded for the reasons stated in the Petitions, which are incorporated herein by reference, namely the District does not provide water services to such property and it is not contemplated that such property will be served water by the District or the District may not be capable of providing water service to the property.

(ii) The exclusion is in the best interests of the District because the Trout Haven Subdivision filing with few exceptions (which do not include the Properties) are not served by District's water system. Several homes have been built in this area that are served by private, permitted individual wells approved by the State of Colorado which was contemplated by the District's Service Plan and Water Court Decree that allowed lot owners to drill wells if the District had not extended water mains to the lot, and could not economically extend such mains within a reasonable amount of time (*i.e.*, by the time a Certificate of Occupancy is to be issued). In 2018, the District commissioned an engineering study estimated that construct the infrastructure to extend service to the Trout Haven Subdivision would cost at least \$3.75 Million. Accordingly, the District cannot economically extend service to the Properties and require connection. Since there is no real prospect of revenue from the Properties for the District, and if excluded the Properties will still be responsible for their portion of any bonded indebtedness, exclusion will relieve the District the obligation to serve the Properties, if any, and the administrative burden and costs associated with inclusion of the Properties within the District.

(iii) As for the best interests of Teller County Colorado, Teller County representatives have indicated to the representatives of the District that there is no objection to exclusion and that for the reasons the exclusion is in the best interest of the District, such are in the best interest of the County; there is no economically feasible manner in which the District can extend service to the Properties such that they are served by a central water system.

B. The relative cost and benefit to the Properties to be excluded from the provision of the District's services: The Properties will be benefitted as they will not be subject to potential future burdens or costs imposed by the District, such as those through a mill levy, when they receive no services from the District and have no reasonable prospect in the foreseeable future of being able to receive service from the District because they already have wells or because extension of the District's system is not economical.

C. The ability of the District to provide economical and sufficient service to both the property to be excluded and all of the properties within the District's boundaries: The District does not have the ability to serve the Properties without a significant infrastructure expenditure to extend the system as discussed above. Moreover, the additional burden on the District's existing water supply if the Properties were able to be served will be eliminated. The exclusion of the Properties will have no adverse effect with respect to service on the property that remains included within the District. The District has determined through retained counsel that exclusion will not have an impact on the District's water rights or costs of managing those rights over time.

D. The District's ability to provide services at a reasonable cost compared with the cost that would be imposed by other entities in the surrounding area to provide similar services: As discussed above, the District is not able to provide services to the Properties without incurring a significant expense, which would be imposed on properties in the Trout Haven Service Area. Moreover, since many Properties where service would be extended already have wells, the District would lose some economies of scale. There are no other entities to reasonably provide centralized water service in the surrounding area, however as mentioned above lot owners are permitted by the District's Service Plan and Water Court Decree to drill wells which the Petitioners have determined to be a reasonable cost.

E. The effect of denying the Petition(s) on employment and other economic conditions in the District and surrounding area: Given the small scale of the proposed exclusion and the fact that the "status quo" will not be affected (*i.e.*, the District does not provide service in this area, does not contemplate service in this area for the foreseeable future, and the Service Plan and Water Court Decree provide for wells to be drilled) there will be no material impact on employment or other economic conditions in the District and surrounding area.

F. The economic impact on the region and on the District, surrounding area, and state as a whole if the Petition(s) are denied or the resolution is finally adopted: The impact on the District of denying the Petition is minimal, although the District would not have any potential cost associated with extending service in this area for which revenue would likely be minimal given limited customers the District could receive from this area. The District, for the reasons explained above, finds no economic impact on the region and on the District, surrounding area, and state as a whole.

G. Whether an economically feasible alternative service may be available: As explained above, there is no feasible manner for the District to supply services to the Properties. There is no other entity or central system which can feasibly provide water to the Properties. The economically feasible manner by which water has been obtained by properties in this area is by drilling wells as contemplated by the District's Service Plan and Water Court Decree.

H. The additional cost to be levied on other property within the District if the exclusion is granted: As provided in C.R.S. § 32-1-501 the Properties if excluded will be responsible for their portion of the bonded indebtedness in existence immediately preceding the effective date of the District Board's final order. Other properties in the District, while subject to a mill levy, largely pay for services by fees and will be unaffected. Through a public outreach meeting by the District on capital improvements, and as evidenced by submission of the Petitions, the impact of the loss of this potential tax base is minimal as such properties are unlikely to approve any future indebtedness to fund infrastructure improvements. The loss of any potential tax base to fund involuntary obligations such as those by judgments is found to be remote and immaterial.

The attached Memorandum dated May 5, 2021, is hereby incorporated as **Exhibit C**.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE ARABIAN ACRES METROPOLITAN DISTRICT OF TELLER COUNTY, COLORADO:

1. Based on the findings above, the District Board Orders the exclusion of the Properties described in the Petitions and on **Exhibit A** to this Resolution and Order contingent upon (i) approval by the BOCC of the Service Plan modification reflecting the same and (ii) entry of a final order by the District Board after such approval;

2. The final order shall recite in the findings a description of any bonded indebtedness in existence immediately preceding the effective date of the order for which the excluded property is liable and the date that the bonded indebtedness is then scheduled to be retired;

3. By granting the exclusion each Petitioner acknowledges that such Petitioner's ability to obtain water is dependent upon state law and its implementation by the Colorado Division of Water Resources ("Division") and each Petitioner accepts all risks with respect to the same; and

4. The Board hereby continues the meeting pursuant to C.R.S. § 32-1-501(2) to the next regularly scheduled meeting for the purpose of its determination of final approval of exclusion of the Properties after the BOCC considers its approval of the District's Service Plan modification.

APPROVED AND ADOPTED THIS 12TH DAY OF MAY, 2021

ARABIAN ACRES METROPOLITAN DISTRICT

By: Edith Coffman
Edith Coffman, President

DocuSigned by:
Allan Brown
6B74B51F70414C3...

DocuSigned by:
Stan Claassen
0808130DA737435...

DocuSigned by:
Elizabeth Douglass
413B118355C641B...

DocuSigned by:
Lanny Hoel
810E0291209A411...

Lanny Hoel

ATTEST:

By: Elizabeth Douglas
Elizabeth Douglas, Secretary



EXHIBIT A

[Attach Petitions that are not near a water line, but excluding Claassen and Brown]

**RESOLUTION AND ORDER
OF THE
BOARD OF DIRECTORS
OF
ARABIAN ACRES METROPOLITAN DISTRICT APPROVING A CONDITIONAL
EXCLUSION OF CERTAIN REAL PROPERTY**

WHEREAS, duly acknowledged Petitions for Exclusion (collectively “Petitions” or individually as “Petition”) were filed with the Board of Directors of the Arabian Acres Metropolitan District (“District”), copies of which are attached hereto as **Exhibit A** and incorporated by reference; and

WHEREAS, each Petition is signed by one hundred percent (100%) of the fee owners (collectively “Petitioners” or individually “Petitioner”) with respect to the real property (collectively the “Properties”) described in each Petition; and

WHEREAS, such Petitions were heard at a public meeting of the Board of Directors of the District on May 12, 2012, 2021 at 5:30 p.m. after publication of the notice of filing of such Petitions, and the place, time, date, manner of such hearing, the name and address of each Petitioner, and a general description of the property to be excluded in the Pikes Peak Courier on April 7, 14, and 21 of the year 2021, a copy of the proof of publication is attached hereto and incorporated as **Exhibit B**; and

WHEREAS, given the current COVID-19 Pandemic, such meeting was held via teleconference pursuant to the emergency declaration and was attended by following link and phone number: <https://global.gotomeeting.com/join/800588117> and by phone at +1 (872) 240-3212 Access Code: 800-588-117;

WHEREAS, no written objection to the exclusions has been filed by any person; and

WHEREAS, the District’s Service Plan in § IX states “The District will obtain approval from the County before making any material modifications to this Service Plan; and

WHEREAS, the District’s Service Plan expressly provides that the exclusion of any property from the District is considered a material modification; and

WHEREAS, the exclusion of any property from the District cannot be effected without violating the District’s Service Plan until after the Teller County Colorado Board of County Commissioner’s (“BOCC”) approves of such exclusion; and

WHEREAS, final approval of exclusion of the Properties, in whole or part, shall be acted upon by separate resolution of the District’s Board of Directors upon approval of the BOCC of the exclusion of Properties, in whole or part.

THE BOARD NOW FINDS AFTER CONSIDERATION OF THE FACTORS LISTED IN C.R.S. § C.R.S. § 32-1-501(3):

A. The best interests of (i) the Properties to be excluded, (ii) the District, and (iii) Teller County Colorado:

(i) The exclusion is in the best interest of the Properties to be excluded for the reasons stated in the Petitions, which are incorporated herein by reference, namely although the Properties may be near a water main, the District does not provide water services to such property and it is not contemplated that the Properties will be served water by the District and there is no requirement that such Properties receive service from the District because mains were not timely extended to the subject lots.

(ii) The exclusion is in the best interests of the District because the Trout Haven Subdivision filing with few exceptions (which do not include the Properties) are not served by District's water system. Several homes have been built in this area that are served by private, permitted individual wells approved by the State of Colorado which was contemplated by the District's Service Plan and Water Court Decree that allowed lot owners to drill wells if the District had not extended water mains to the lot, and could not economically extend such mains within a reasonable amount of time (*i.e.*, by the time a Certificate of Occupancy is to be issued). In 2018, the District commissioned an engineering study estimated that construct the infrastructure to extend service to the Trout Haven Subdivision would cost at least \$3.75 Million. Accordingly, the District either has not, or cannot economically extend service to the Properties and/or require connection. Since there is no real prospect of revenue from the Properties for the District, and if excluded the Properties will still be responsible for their portion of any bonded indebtedness, exclusion will relieve the District the obligation to serve the Properties, if any, and the administrative burden and costs associated with inclusion of the Properties within the District.

(iii) As for the best interests of Teller County Colorado, Teller County representatives have indicated to the representatives of the District that there is no objection to exclusion and that for the reasons the exclusion is in the best interest of the District, such are in the best interest of the County; there is no economically feasible manner in which the District can extend service to the Properties or require connection such that they are served by a central water system.

B. The relative cost and benefit to the Properties to be excluded from the provision of the District's services: The Properties will be benefitted as they will not be subject to potential future burdens or costs imposed by the District, such as those through a mill levy, when they receive no services from the District and have no reasonable prospect in the foreseeable future of being able to receive service from the District because they already have wells.

C. The ability of the District to provide economical and sufficient service to both the property to be excluded and all of the properties within the District's boundaries: The District does not have the ability to require connection and/or serve the Properties without a significant expense being incurred. Moreover, the additional burden on the District's existing water supply if the Properties were able to be served will be eliminated. The exclusion of the Properties will have no adverse effect with respect to service on the property that remains included within the District.

The District has determined through retained counsel that exclusion will not have an impact on the District's water rights or costs of managing those rights over time.

D. The District's ability to provide services at a reasonable cost compared with the cost that would be imposed by other entities in the surrounding area to provide similar services: As discussed above, the District is not able to require connection or provide services to the Properties without a significant expense being incurred. There are no other entities to reasonably provide centralized water service in the surrounding area, however as mentioned above lot owners are permitted by the District's Service Plan and Water Court Decree to drill wells which the Petitioners have done and have determined to be a reasonable cost.

E. The effect of denying the Petition(s) on employment and other economic conditions in the District and surrounding area: Given the small scale of the proposed exclusion and the fact that the "status quo" will not be affected (*i.e.*, the District does not provide service in this area, does not contemplate service in this area for the foreseeable future, and the Service Plan and Water Court Decree provide for wells to be drilled) there will be no material impact on employment or other economic conditions in the District and surrounding area.

F. The economic impact on the region and on the District, surrounding area, and state as a whole if the Petition(s) are denied or the resolution is finally adopted: The impact on the District of denying the Petition is minimal, although the District would not have any potential cost associated with extending service in this area for which revenue would likely be minimal given limited customers the District could receive from this area. The District, for the reasons explained above, finds no economic impact on the region and on the District, surrounding area, and state as a whole. The District has no reasonable expectation of any revenue since private wells are serving the Properties.

G. Whether an economically feasible alternative service may be available: As explained above, there is no feasible manner for the District to require and supply services to the Properties. There is no other entity or central system which can feasibly provide water to the Properties. The economically feasible manner by which water has been obtained by properties in this area is by drilling wells as contemplated by the District's Service Plan and Water Court Decree.

H. The additional cost to be levied on other property within the District if the exclusion is granted: As provided in C.R.S. § 32-1-501 the Properties if excluded will be responsible for their portion of the bonded indebtedness in existence immediately preceding the effective date of the District Board's final order. Other properties in the District, while subject to a mill levy, largely pay for services by fees and will be unaffected. Through a public outreach meeting by the District on capital improvements, and as evidenced by submission of the Petitions, the impact of the loss of this potential tax base is minimal as such properties are unlikely to approve any future indebtedness to fund infrastructure improvements. The loss of any potential tax base to fund involuntary obligations such as those by judgments is found to be remote and immaterial.

The attached Memorandum dated May 5, 2021, is hereby incorporated as **Exhibit C**.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE ARABIAN ACRES METROPOLITAN DISTRICT OF TELLER COUNTY, COLORADO:

1. Based on the findings above, the District Board Orders the exclusion of the Properties described in the Petitions and on **Exhibit A** to this Order contingent upon (i) approval by the BOCC of the Service Plan modification reflecting the same and (ii) entry of a final order by the District Board after such approval;

2. The final order shall recite in the findings a description of any bonded indebtedness in existence immediately preceding the effective date of the order for which the excluded property is liable and the date that the bonded indebtedness is then scheduled to be retired;

3. By granting the exclusion each Petitioner acknowledges that Petitioner’s ability to obtain water is dependent upon state law and its implementation by the Colorado Division of Water Resources (“Division”) and Petitioner accepts all risks with respect to the same; and

4. The Board hereby continues the meeting pursuant to C.R.S. § 32-1-501(2) to the next regularly scheduled meeting for the purpose of its determination of final approval of exclusion of the Properties after the BOCC considers its approval of the District’s Service Plan modification.

APPROVED AND ADOPTED THIS 12TH DAY OF MAY, 2021

ARABIAN ACRES METROPOLITAN DISTRICT

By: Edith Coffman
Edith Coffman, President

Allan Brown
Allan Brown

Stan Claassen
Stan Claassen

Elizabeth Douglass
Elizabeth Douglass

Lanny Hoel
Lanny Hoel

ATTEST:

By: _____



Elizabeth Douglas, Secretary

EXHIBIT A

[Attach Petitions that are near a water line]

**RESOLUTION AND ORDER
OF THE
BOARD OF DIRECTORS
OF
ARABIAN ACRES METROPOLITAN DISTRICT APPROVING A CONDITIONAL
EXCLUSION OF CERTAIN REAL PROPERTY**

WHEREAS, a duly acknowledged Petition for Exclusion (“Petition”) was filed with the Board of Directors of the Arabian Acres Metropolitan District (“District”), a copy of which is attached hereto as **Exhibit A** and incorporated by reference; and

WHEREAS, the Petition is signed by one hundred percent (100%) of the fee owners (the “Petitioner”) with respect to the real property (“Property”) described in the Petition; and

WHEREAS, the Petition was heard at a public meeting of the Board of Directors of the District on May 12, 2012, 2021 at 5:30 p.m. after publication of the notice of filing of the Petition, and the place, time, date, manner of such hearing, the name and address of the Petitioner, and a general description of the property to be excluded in the Pikes Peak Courier on April 7, 14, and 21 of the year 2021, a copy of the proof of publication is attached hereto and incorporated as **Exhibit B**; and

WHEREAS, given the current COVID-19 Pandemic, such meeting was held via teleconference pursuant to the emergency declaration and was attended by following link and phone number: <https://global.gotomeeting.com/join/800588117> and by phone at +1 (872) 240-3212 Access Code: 800-588-117;

WHEREAS, no written objection to the exclusions has been filed by any person; and

WHEREAS, the District’s Service Plan in § IX states “The District will obtain approval from the County before making any material modifications to this Service Plan; and

WHEREAS, the District’s Service Plan expressly provides that the exclusion of any property from the District is considered a material modification; and

WHEREAS, the exclusion of any property from the District cannot be effected without violating the District’s Service Plan until after the Teller County Colorado Board of County Commissioner’s (“BOCC”) approves of such exclusion; and

WHEREAS, final approval of exclusion of the Property, shall be acted upon by separate resolution of the District’s Board of Directors upon approval of the BOCC of the exclusion of Property.

THE BOARD NOW FINDS AFTER CONSIDERATION OF THE FACTORS LISTED IN C.R.S. § C.R.S. § 32-1-501(3):

A. The best interests of (i) the Property to be excluded, (ii) the District, and (iii) Teller County Colorado:

(i) The exclusion is in the best interest of the Property to be excluded for the reasons stated in the Petition, which is incorporated herein by reference, namely the District does not provide water services to such property and it is not contemplated that such property will be served water by the District or the District may not be capable of providing water service to the property.

(ii) The exclusion is in the best interests of the District because the Trout Haven Subdivision filing with few exceptions (which do not include the Property) are not served by District's water system. Several homes have been built in this area that are served by private, permitted individual wells approved by the State of Colorado which was contemplated by the District's Service Plan and Water Court Decree that allowed lot owners to drill wells if the District had not extended water mains to the lot, and could not economically extend such mains within a reasonable amount of time (*i.e.*, by the time a Certificate of Occupancy is to be issued). In 2018, the District commissioned an engineering study estimated that construct the infrastructure to extend service to the Trout Haven Subdivision would cost at least \$3.75 Million. Accordingly, the District cannot economically extend service to the Property and require connection. Since there is no real prospect of revenue from the Property for the District, and if excluded the Property will still be responsible for its portion of any bonded indebtedness, exclusion will relieve the District the obligation to serve the Property, if any, and the administrative burden and costs associated with inclusion of the Property within the District.

(iii) As for the best interests of Teller County Colorado, Teller County representatives have indicated to the representatives of the District that there is no objection to exclusion and that for the reasons the exclusion is in the best interest of the District, such are in the best interest of the County; there is no economically feasible manner in which the District can extend service to the Property such that they are served by a central water system.

B. The relative cost and benefit to the Properties to be excluded from the provision of the District's services: The Property will be benefitted as it will not be subject to potential future burdens or costs imposed by the District, such as those through a mill levy, when it receives no services from the District and has no reasonable prospect in the foreseeable future of being able to receive service from the District because it already has a wells or because extension of the District's system is not economical.

C. The ability of the District to provide economical and sufficient service to both the property to be excluded and all of the properties within the District's boundaries: The District does not have the ability to serve the Property without a significant infrastructure expenditure to extend the system as discussed above. Moreover, the additional burden on the District's existing water supply if the Property were able to be served will be eliminated. The exclusion of the Property will have no adverse effect with respect to service on the property that remains included within the District. The District has determined through retained counsel that exclusion will not have an impact on the District's water rights or costs of managing those rights over time.

D. The District's ability to provide services at a reasonable cost compared with the cost that would be imposed by other entities in the surrounding area to provide similar services: As discussed above, the District is not able to provide services to the Property without incurring a significant expense, which would be imposed on properties in the Trout Haven Service Area. Moreover, since many properties where service would be extended, including the Property, already have wells, the District would lose some economies of scale. There are no other entities to reasonably provide centralized water service in the surrounding area, however as mentioned above lot owners are permitted by the District's Service Plan and Water Court Decree which the Petitioner has determined to be a reasonable cost.

E. The effect of denying the Petition(s) on employment and other economic conditions in the District and surrounding area: Given the small scale of the proposed exclusion and the fact that the "status quo" will not be affected (*i.e.*, the District does not provide service in this area, does not contemplate service in this area for the foreseeable future, and the Service Plan and Water Court Decree provide for wells to be drilled) there will be no material impact on employment or other economic conditions in the District and surrounding area.

F. The economic impact on the region and on the District, surrounding area, and state as a whole if the Petition(s) are denied or the resolution is finally adopted: The impact on the District of denying the Petition is minimal, although the District would not have any potential cost associated with extending service in this area for which revenue would likely be minimal given limited customers the District could receive from this area. The District, for the reasons explained above, finds no economic impact on the region and on the District, surrounding area, and state as a whole.

G. Whether an economically feasible alternative service may be available: As explained above, there is no feasible manner for the District to supply services to the Property. There is no other entity or central system which can feasibly provide water to the Property. The economically feasible manner by which water has been obtained by properties in this area is by drilling wells as contemplated by the District's Service Plan and Water Court Decree.

H. The additional cost to be levied on other property within the District if the exclusion is granted: As provided in C.R.S. § 32-1-501 the Property if excluded will be responsible for its portion of the bonded indebtedness in existence immediately preceding the effective date of the District Board's final order. Other properties in the District, while subject to a mill levy, largely pay for services by fees and will be unaffected. Through a public outreach meeting by the District on capital improvements, and as evidenced by submission of the Petitions, the impact of the loss of this potential tax base is minimal as such properties are unlikely to approve any future indebtedness to fund infrastructure improvements. The loss of any potential tax base to fund involuntary obligations such as those by judgments is found to be remote and immaterial.

The attached Memorandum dated May 5, 2021, is hereby incorporated as **Exhibit C**.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE ARABIAN ACRES METROPOLITAN DISTRICT OF TELLER COUNTY, COLORADO:

1. Based on the findings above, the District Board Orders the exclusion of the Property described in the Petition and on **Exhibit A** to this Order contingent upon (i) approval by the BOCC of the Service Plan modification reflecting the same and (ii) entry of a final order by the District Board after such approval;

2. The final order shall recite in the findings a description of any bonded indebtedness in existence immediately preceding the effective date of the order for which the excluded property is liable and the date that the bonded indebtedness is then scheduled to be retired;

3. By granting the exclusion the Petitioner acknowledges that Petitioner's ability to obtain water is dependent upon state law and its implementation by the Colorado Division of Water Resources ("Division") and Petitioner accepts all risks with respect to the same; and

4. The Board hereby continues the meeting pursuant to C.R.S. § 32-1-501(2) to the next regularly scheduled meeting for the purpose of its determination of final approval of exclusion of the Property after the BOCC considers its approval of the District's Service Plan modification.

APPROVED AND ADOPTED THIS 12TH DAY OF MAY, 2021

ARABIAN ACRES METROPOLITAN DISTRICT

By: Edith Coffman
Edith Coffman, President

Allan Brown [ABSTAINED]

Stan Claassen

Stan Claassen

Elizabeth Douglass

Elizabeth Douglass

Lanny Hoel

Lanny Hoel

ATTEST:

By: Elizabeth Douglass



Elizabeth Douglas, Secretary

EXHIBIT A

[Attach Brown Petition]

**RESOLUTION AND ORDER
OF THE
BOARD OF DIRECTORS
OF
ARABIAN ACRES METROPOLITAN DISTRICT APPROVING A CONDITIONAL
OF CERTAIN REAL PROPERTY**

WHEREAS, a duly acknowledged Petition for Exclusion (“Petition”) was filed with the Board of Directors of the Arabian Acres Metropolitan District (“District”), a copy of which is attached hereto as **Exhibit A** and incorporated by reference; and

WHEREAS, the Petition is signed by one hundred percent (100%) of the fee owners (the “Petitioner”) with respect to the real property (“Property”) described in the Petition; and

WHEREAS, the Petition was heard at a public meeting of the Board of Directors of the District on May 12, 2012, 2021 at 5:30 p.m. after publication of the notice of filing of the Petition, and the place, time, date, manner of such hearing, the name and address of the Petitioner, and a general description of the property to be excluded in the Pikes Peak Courier on April 7, 14, and 21 of the year 2021, a copy of the proof of publication is attached hereto and incorporated as **Exhibit B**; and

WHEREAS, given the current COVID-19 Pandemic, such meeting was held via teleconference pursuant to the emergency declaration and was attended by following link and phone number: <https://global.gotomeeting.com/join/800588117> and by phone at +1 (872) 240-3212 Access Code: 800-588-117;

WHEREAS, no written objection to the exclusions has been filed by any person; and

WHEREAS, the District’s Service Plan in § IX states “The District will obtain approval from the County before making any material modifications to this Service Plan; and

WHEREAS, the District’s Service Plan expressly provides that the exclusion of any property from the District is considered a material modification; and

WHEREAS, the exclusion of any property from the District cannot be effected without violating the District’s Service Plan until after the Teller County Colorado Board of County Commissioner’s (“BOCC”) approves of such exclusion; and

WHEREAS, final approval of exclusion of the Property, shall be acted upon by separate resolution of the District’s Board of Directors upon approval of the BOCC of the exclusion of Property.

THE BOARD NOW FINDS AFTER CONSIDERATION OF THE FACTORS LISTED IN C.R.S. § C.R.S. § 32-1-501(3):

A. The best interests of (i) the Property to be excluded, (ii) the District, and (iii) Teller County Colorado:

(i) The exclusion is in the best interest of the Property to be excluded for the reasons stated in the Petition, which is incorporated herein by reference, namely the District does not provide water services to such property and it is not contemplated that such property will be served water by the District or the District may not be capable of providing water service to the property.

(ii) The exclusion is in the best interests of the District because the Trout Haven Subdivision filing with few exceptions (which do not include the Property) are not served by District's water system. Several homes have been built in this area that are served by private, permitted individual wells approved by the State of Colorado which was contemplated by the District's Service Plan and Water Court Decree that allowed lot owners to drill wells if the District had not extended water mains to the lot, and could not economically extend such mains within a reasonable amount of time (*i.e.*, by the time a Certificate of Occupancy is to be issued). In 2018, the District commissioned an engineering study estimated that construct the infrastructure to extend service to the Trout Haven Subdivision would cost at least \$3.75 Million. Accordingly, the District cannot economically extend service to the Property and require connection. Since there is no real prospect of revenue from the Property for the District, and if excluded the Property will still be responsible for its portion of any bonded indebtedness, exclusion will relieve the District the obligation to serve the Property, if any, and the administrative burden and costs associated with inclusion of the Property within the District.

(iii) As for the best interests of Teller County Colorado, Teller County representatives have indicated to the representatives of the District that there is no objection to exclusion and that for the reasons the exclusion is in the best interest of the District, such are in the best interest of the County; there is no economically feasible manner in which the District can extend service to the Property such that they are served by a central water system.

B. The relative cost and benefit to the Properties to be excluded from the provision of the District's services: The Property will be benefitted as it will not be subject to potential future burdens or costs imposed by the District, such as those through a mill levy, when it receives no services from the District and has no reasonable prospect in the foreseeable future of being able to receive service from the District because it already has a wells or because extension of the District's system is not economical.

C. The ability of the District to provide economical and sufficient service to both the property to be excluded and all of the properties within the District's boundaries: The District does not have the ability to serve the Property without a significant infrastructure expenditure to extend the system as discussed above. Moreover, the additional burden on the District's existing water supply if the Property were able to be served will be eliminated. The exclusion of the Property will have no adverse effect with respect to service on the property that remains included within the District. The District has determined through retained counsel that exclusion will not have an impact on the District's water rights or costs of managing those rights over time.

D. The District's ability to provide services at a reasonable cost compared with the cost that would be imposed by other entities in the surrounding area to provide similar services: As discussed above, the District is not able to provide services to the Property without incurring a significant expense, which would be imposed on properties in the Trout Haven Service Area. Moreover, since many properties where service would be extended, including the Property, already have wells, the District would lose some economies of scale. There are no other entities to reasonably provide centralized water service in the surrounding area, however as mentioned above lot owners are permitted by the District's Service Plan and Water Court Decree which the Petitioner has determined to be a reasonable cost.

E. The effect of denying the Petition(s) on employment and other economic conditions in the District and surrounding area: Given the small scale of the proposed exclusion and the fact that the "status quo" will not be affected (*i.e.*, the District does not provide service in this area, does not contemplate service in this area for the foreseeable future, and the Service Plan and Water Court Decree provide for wells to be drilled) there will be no material impact on employment or other economic conditions in the District and surrounding area.

F. The economic impact on the region and on the District, surrounding area, and state as a whole if the Petition(s) are denied or the resolution is finally adopted: The impact on the District of denying the Petition is minimal, although the District would not have any potential cost associated with extending service in this area for which revenue would likely be minimal given limited customers the District could receive from this area. The District, for the reasons explained above, finds no economic impact on the region and on the District, surrounding area, and state as a whole.

G. Whether an economically feasible alternative service may be available: As explained above, there is no feasible manner for the District to supply services to the Property. There is no other entity or central system which can feasibly provide water to the Property. The economically feasible manner by which water has been obtained by properties in this area is by drilling wells as contemplated by the District's Service Plan and Water Court Decree.

H. The additional cost to be levied on other property within the District if the exclusion is granted: As provided in C.R.S. § 32-1-501 the Property if excluded will be responsible for its portion of the bonded indebtedness in existence immediately preceding the effective date of the District Board's final order. Other properties in the District, while subject to a mill levy, largely pay for services by fees and will be unaffected. Through a public outreach meeting by the District on capital improvements, and as evidenced by submission of the Petitions, the impact of the loss of this potential tax base is minimal as such properties are unlikely to approve any future indebtedness to fund infrastructure improvements. The loss of any potential tax base to fund involuntary obligations such as those by judgments is found to be remote and immaterial.

The attached Memorandum dated May 5, 2021, is hereby incorporated as **Exhibit C**.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE ARABIAN ACRES METROPOLITAN DISTRICT OF TELLER COUNTY, COLORADO:

1. Based on the findings above, the District Board Orders the exclusion of the Property described in the Petition and on **Exhibit A** to this Order contingent upon (i) approval by the BOCC of the Service Plan modification reflecting the same and (ii) entry of a final order by the District Board after such approval;

2. The final order shall recite in the findings a description of any bonded indebtedness in existence immediately preceding the effective date of the order for which the excluded property is liable and the date that the bonded indebtedness is then scheduled to be retired;

3. By granting the exclusion the Petitioner acknowledges that Petitioner's ability to obtain water is dependent upon state law and its implementation by the Colorado Division of Water Resources ("Division") and Petitioner accepts all risks with respect to the same; and

4. The Board hereby continues the meeting pursuant to C.R.S. § 32-1-501(2) to the next regularly scheduled meeting for the purpose of its determination of final approval of exclusion of the Property after the BOCC considers its approval of the District's Service Plan modification.

APPROVED AND ADOPTED THIS 12TH DAY OF MAY, 2021

ARABIAN ACRES METROPOLITAN DISTRICT

By: Edith Coffman
Edith Coffman, President

DocuSigned by:
Allan Brown
Allan Brown

Stan Claassen [ABSTAINED]
DocuSigned by:
Elizabeth Douglass

Elizabeth Douglass
DocuSigned by:
Lanny Hoel
Lanny Hoel

ATTEST:

By: Elizabeth Douglass



, Secretary

EXHIBIT A

[Attach Claassen Petition]