

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE PARK MEADOWS METROPOLITAN DISTRICT

Held: Monday, July 24, 2017 at 5:00 P.M. at the Lone Tree Civic Center, 8527 Lone Tree Parkway, Lone Tree, Colorado.

Attendance:

A regular meeting of the Board of Directors of the Park Meadows Metropolitan District was scheduled in compliance with the laws of the State of Colorado, with the following directors in attendance:

Greg Kelly
Sharon Van Ramshorst
Steve Parry (arrived when noted)
Martha Sippel
Tom Haning

Also present were:

Greg Mandel and Fred Hammer, residents; Roger Borcharding, Managing Agent, Micheal Trippler, President and Steve Hoodecheck, Treasurer, Cypress Greens Homeowners Association, Inc.; John Cotten and Taylor Goertz, TTG Corp.; Jay Carpenter, Councilmember City of Lone Tree; Mike Crespin, BrightView Landscape Services, Inc.; Eliot Hoyt, Brightview Landscape Development, Inc. dba BrightView Design Group; Matt Small, GeoLens, Inc.; Bob Blodgett, Christine Harwell and Rachel Heap, CliftonLarsonAllen LLP; and Tamara Seaver, Icenogle Seaver Pogue, PC.

Call to Order/ Declaration of Quorum:

Director Kelly, noting the presence of a quorum, called to order the regular meeting of the Board of Directors of Park Meadows Metropolitan District at 5:00 P.M.

Directors Matters/Disclosure Matters:

None.

Public Comments:

Fred Hammer congratulated the City of Lone Tree on the Pedestrian Bridge and commended the District for participating in funding the bridge. Greg Mandel addressed the Board noting there were still a number of trees to be planted and existing medians requiring attention. He reiterated his option that the existing medians should be the District's priority. Mr. Mandel

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concluded by expressing his preference for red flagstone in the one new median. Mr. Borcharding then addressed the Board regarding Centennial Ridge HOA and the request for the District to pay the costs of replacing pump motors associated with two water features owned by Centennial Ridge. Mr. Borcharding then addressed the Board regarding the Cypress Greens HOA's actions in removing the District's Smart Controllers and expressed his opinions regarding the same.

Approval of Agenda:

Director Kelly moved that the Board of Directors approve moving the Cypress Greens and Centennial Ridge discussions up on the agenda so they would be the first discussion items addressed. Director Sippel seconded the motion which was approved unanimously by the Board of Directors.

Consent Agenda:

Director Van Ramshorst moved to approve the consent agenda comprising minutes of June 26, 2017 regular meeting. The motion was seconded by Director Kelly and unanimously approved by the Board.

Landscape Services Agreement
with Cypress Greens HOA:

Director Sippel noted Denver Water Department water rates have increased 81.8% from 2008 through 2016. Statistics for Cypress Greens Homeowners Association, Inc. (CG) show a 40% increase since 2008, these figures indicate usage is less than average and it appears the smart controllers worked. She noted that the Board represents all District taxpayers and the goal is to build and maintain infrastructure, preserve and/or improve all property values. The District includes properties for residential, Homeowners Associations and numerous commercial sites. The smart controller system program enable the HOAs to receive water rebates which were, for some HOAs, significant. She noted that if CG had experienced the exponential increase as stated in Mr. Borcharding's Monday, July 10, 2017 email, CG should have contacted the District regarding water usage increases. The District and CG could have worked together rather than CG removing smart controllers and returning to manual watering programs.

Further, Director Sippel noted that the District does not have the budget to pay for water to all the HOAs and commercial entities, but the District maintains landscape for each HOA by agreements identical to the CG agreement. This is the best possible solution and represents a successful partnership and a team effort benefitting all. Director Sippel requested that the Cypress Greens Board reconsider their action.

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Director Van Ramshorst then commented that there are numerous homeowners associations within the District, few of which complain. She then noted that the Cypress Greens HOA's actions in removing the District's Smart Controllers in violation of the parties' landscaping agreement constitute wholly unacceptable behavior and that the actions were particularly surprising in that Mr. Borcharding signed the contract for the HOA and should have advised his client. Director Kelly added that since the HOA installed its own controllers the grass on Sunningdale is already suffering and the HOA could have spoken to the District before taking such extreme actions. Director Kelly presented the HOA's three options as: (a) paying the District to put the controllers back and reimbursing the District for the costs incurred as required by the indemnification in the parties' contract (b) terminating the landscaping services agreement and taking over all maintenance or (c) doing nothing which could result in the District suing the HOA for breach of contract and recovery of all of the money spent by the District. He encouraged the HOA to take the matter under consideration and communicate a decision to the District as soon as possible.

Centennial Ridge HOA Water Feature Repairs:

Director Sippel began the discussion by re-affirming that Centennial Ridge installed their water features after the HOA landscape agreement was signed. She mentioned her observation that the water features have not worked consistently since they were installed. She mentioned that the District is not responsible for these private water features. She suggested that Centennial Ridge provide appropriate contact information to the District, and the District could notify them when the water is being turned on or off for the season. Centennial Ridge could arrange for their electrician to turn the electrical on or off which would alleviate their concerns.

The remaining board members expressed consensus that the water features in question have never consistently worked properly, the District has never maintained private water features and that the expense would be inappropriate for the District. The request was thusly rejected.

Landscape Maintenance:

July Landscape Maintenance Report:

Mr. Crespin reported on the second application of turf fertilizer and weed control, weeding and pruning efforts and cutting back the Salvia in an effort to obtain a second bloom from the flowers. He reported on the removal of smaller dead shrubs, to continue throughout the season, and commented on tree replacements

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performed per the Board's June direction. He then reported that he drove the District with the arborist from Rocky Mountain Tree care several times during the last few months in order to evaluate tree health on a District-wide basis. Finally, he reported on the booster pump replacement which aids in watering the East side of Yosemite from the Enclave entrance to Heritage Hills Circle, and the Weather Trak controller upgrades and subscription payment consolidation effort

July Proposed Work Orders: Following discussion, the following proposed work orders were approved:

1. Director Sippel moved approval of the proposed work order for August pest control in an amount not-to-exceed \$1,740. The motion was seconded by Director Kelly and approved unanimously by the Board.
2. Director Kelly moved approval of the proposed work order for tree pruning on Lincoln, Yosemite, Lone Tree Parkway, Timberline and Carriage Club in an amount not-to-exceed \$10,715.00. The motion was seconded by Director Sippel and approved unanimously by the Board.
3. Director Haning moved approval of the proposed work order for dead tree removal and stump grinding in an amount not-to-exceed \$2,145.00. The motion was seconded by Director Sippel and approved unanimously by the Board.

Denver Water Usage Report: Mr. Crespin noted in regard to the Denver Water Usage Report, that most of the overages shown, appear related to the medians which are battery operated. He commented on his investigations into the overages, remarking that main line breaks have been ruled out but his crews find no clear source for the overage issue. He affirmed that his crews will continue to research the precise source of the overage issue.

Construction Project Items:
Lincoln Avenue Pedestrian
Bridge:

Mr. Cotten reported that the leaf portion of the bridge is in place and the Board commented on the structure. Thereafter, Mr. Cotten presented the City of Lone Tree's renewed request for additional District participation in the leaf bridge funding beyond the \$1,000,000.00 already contributed by the District. The City's request is that the District fund a water tap (\$18,400) and landscape design and installation (approximately \$5,000 - \$6,000). Director Van Ramshorst responded that she read in the

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local paper that the City was spending more than \$400,000 this year on landscaping improvements at the Lone Tree Arts Center. She then noted how that report contradicts the City's statements that it has no money to fund the leaf bridge water tap and landscaping costs. She expressed her disappointment that the City failed to seek out other contributors given the large amount already contributed by the District and commented on the equities of the contributions. Finally, she stated that she doesn't feel the District's taxpayers would be well represented by the approval of such an expenditure. Director Kelly then stated that he was personally in favor of the expenditure and asked for additional Board comments. Director Haning expressed agreement with the points raised by Director Van Ramshorst. Director Sippel mentioned that the original request was poorly handled and expressed disappointment that the City refused to meet the District half-way on the funding in response to the District's original determination not to proceed. Director Kelly moved that the Board approve the payment of the additional landscaping and water tap in an amount not-to-exceed \$24,400. Councilmember Carpenter expressed his appreciation of the District, regardless of the outcome of any vote on the City's renewed request. Additional discussion ensued, following which Director Kelly modified his motion to be that the Board approve splitting the costs of the water tap and landscaping with the City in an amount not-to-exceed \$12,200, Director Sippel seconded the motion, and upon vote failed by a tie vote, Directors Kelly and Sippel voting for approval and Directors Van Ramshorst and Haning voting against approval. Director Parry was not present for the discussion.

2017-2021 Capital
Improvements Plan:

Mr. Blodgett reviewed changes to the District's Capital Improvement Plan.

New Landscaped Median in
Yosemite (Park Meadows
Drive to C-470):

Mr. Hoyt reviewed with the Board of Directors the updates made to the two schematic design alternatives and the costs associated with each (basanite and red sandstone). At 6:04 p.m., during Mr. Hoyt's review, Director Parry joined the meeting. The Board discussed the designs and asked Mr. Hoyt a number of questions related to cost and design elements. Following the discussion, Director Sippel moved that the Board of Directors move forward with the red sandstone design. The motion was seconded by Director Kelly and approved unanimously by the Board. Mr. Hoyt then discussed scheduling considerations culminating in going out for bids around December 9 and landscape installation around May of 2018.

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County Line Road
Improvements:

Mr. Cotten reported with respect to the County Line Road Improvements project that utility locations were under way and underground work had commenced.

Revised District Landscape
Maintenance Mapping
Presentation:

Mr. Small, President of GeoLens, Inc. provided his background and demonstrated the some of the functionality of the GeoLens product for the Board, explaining the various layers available to clients. The Board of Directors asked numerous questions and directed that a contract be brought to the Board of Directors for consideration in August on the District's contract forms, reflecting the \$4,750 system configuration and set-up and the \$675 per month subscription fees and including a more refined scope of work per Ms. Seaver's recommendation. The Board clarified with Brightview that their work to help with the GeoLens project would be billed on a time and materials basis.

Financial Items:
2016 Audit:

Ms. Harwell reported on various elements of the District's 2016 Audit opinion, noting the opinion was unmodified. Following Board discussion, Director Kelly moved approval of the 2016 Audit as presented. The motion was seconded by Director Parry and approved unanimously by the board.

June 30, 2017 Cash Position
Report and Property Tax
Schedule:

Ms. Harwell reviewed with the Board the District's June 30, 2017 cash position report and property tax receipts. Thereafter, Director Sippel moved approval of the same. The motion was seconded by Director Van Ramshorst and approved unanimously by the Board.

June Claims:

Mr. Blodgett reviewed with the Board the June 2017 claims totaling \$62,963.15 plus directors' fees. Thereafter, Director Van Ramshorst moved approval of the claims. The motion was seconded by Director Parry and approved unanimously by the Board.

CliftonLarsonAllen LLP
Cash Addendum to the
Accounting Engagement
Letter:

Ms. Harwell presented the Board with an addendum to the District's engagement with CliftonLarsonAllen, LLP required by the adoption of new professional accounting standards. The Board asked Ms. Seaver if she had reviewed the addendum and she confirmed she had review the addendum. Thereafter, Director Kelly moved approval of the addendum. The motion was seconded by Director Sippel and approved unanimously by the Board.

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Manager's Items:

Mr. Blodgett reported on updates performed at Director Sippel's request. Thereafter, Director Sippel commented on some outdated technology on the website and the Board asked her to contact the web consultant to discuss the same with their thanks.

Attorney Items:

Addendum No. 4 to Master Intergovernmental Agreement with the City of Lone Tree:

Ms. Seaver reviewed with the Board an Amendment to Addendum No. 4 with the City of Lone Tree under the parties' Master Intergovernmental Agreement related to the timing of the District's contributions to public improvements deriving from the development known as "The Yard". She noted the City Attorney requested the amendment to extend the time for the District's contribution due to developmental delays. Following discussion, Director Kelly moved approval of the Amendment. The motion was seconded by Director Haning and approved unanimously by the Board of Directors.

Executive Session:

Director Kelly moved that the board convene in Executive session, pursuant to C.R.S., Section 24-6-402(4)(b) and Section 24-6-402(4)(e), for the purposes of receiving legal advice on specific legal questions related to District operations and Cypress Greens Homeowners Association, Inc. and determining positions relative to matters that may be subject to negotiations developing strategy for negotiations and instruction negotiators related to District landscape services and license agreement. Director Sippel seconded the motion, which was unanimously approved by the Board at 6:59 P.M.

Members of the public departed the meeting at this time. Mss. Seaver, Heap and Harwell and Mr. Blodgett remained for the entire executive session.

The board returned from executive session to open session at 7:18 P.M.

Director's Items:

Resolution regarding landscape installation and maintenance priorities:

Director Sippel reviewed with the Board of Directors the proposed resolution establishing priorities among the various landscaping needs within the District which she and Director Van Ramshorst worked together to formulate. Following discussion, Director Kelly moved approval of the resolution. The motion was seconded by Director Sippel and approved unanimously by the Board.

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Adjournment:

There being no further business to come before the Board, upon motion made by Director Kelly, second by Director Sippel, the meeting was adjourned at 7:40 P.M.


Secretary