

10311

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CONSERVATORY METROPOLITAN DISTRICT
HELD
MARCH 21, 2011**

A regular meeting of the Board of Directors of the Conservatory Metropolitan District, referred to hereafter as ("Board"), was convened on Monday, the 21st day of March, 2011, at 9:00 A.M., at the Conservatory Clubhouse, 2665 South Jebel Way, Aurora, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Don G. Samsel, President
Ronald "Dick" R. Dailey
Dan Staley
Jud Davis

Following discussion, upon motion duly made by Director Dailey, seconded by Director Samsel and, upon vote, unanimously carried, the absence of Laverne Palmer was excused.

Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc.

Jennifer Tanaka, Esq.; White, Bear & Ankele, P.C.

Georgia Harland; Simmons & Wheeler, P.C.

Mark Frederick and Pat Bruno; Summit Services, Inc.

CALL TO ORDER

Director Samsel noted that a quorum of the Board was present and called the meeting to order.

**DISCLOSURE OF
POTENTIAL
CONFLICTS OF
INTEREST**

Disclosures and Potential Conflicts of Interest: Attorney Tanaka advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. The Board reviewed the Agenda for the meeting, following which each Board member confirmed that they had no conflicts of interest in connection with any of

RECORD OF PROCEEDINGS

the matters listed on the Agenda.

ADMINISTRATIVE MATTERS **Agenda:** Mr. Beckman distributed, for the Board's review and approval, a proposed Agenda for the District's Regular Meeting.

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

CONSENT AGENDA

Consent Agenda: The Board considered the following actions:

- Review and approve Minutes from the February 21, 2011 Regular Meeting
- Acknowledge Homeowners' Association Meeting Reports/Updates (if available).

Following discussion, upon motion duly made by Director Samsel, seconded by Director Dailey and, upon vote, unanimously carried, the Board approved the February 21, 2011 Regular Meeting Minutes. No Homeowners' Association Report or Update was presented.

COMMUNITY COMMENTS

Community Security: Director Samsel reported that he recently had discussions with a security company for homes and businesses regarding options for securing the District's amenities and improvements. Director Daily reported that he is also researching security options and reiterated his position that until the entrance lighting can be equipped with adequate security equipment he would not be in favor of replacing it. The Board directed Mr. Beckman to check with the District's insurance provider for security recommendations.

FINANCIAL MATTERS

Claims: The Board considered ratifying checks 1956 through 1969.

Following discussion, upon motion duly made by Director Dailey, seconded by Director Samsel and, upon vote, unanimously carried, the Board ratified checks 1956 through 1968.

Ms. Harland then reviewed the claims dated March 21, 2011 with the Board, totaling \$56,642.74.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Dailey, seconded by Director Samsel and, upon vote, unanimously carried, the Board approved the claims for the period ending March 21, 2011 totaling \$56,642.74.

Financial Statements: Ms. Harland presented the unaudited financial statements for the period ending February 28, 2011 for the Board's review.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Davis, and upon vote, unanimously carried, the February 28, 2011 unaudited financial statements were accepted.

Current Cash Flow Projection: Ms. Harland reviewed the current cash flow projection through March 2012 with the Board. Mr. Dailey inquired into the cost associated with preparation of the cash flow projection. Ms. Harland noted that it is approximately \$100 per month.

Collections Report and Delinquency Account List: Attorney Tanaka reviewed the Collection Report and Delinquency Account List with the Board. Director Dailey discussed the process for writing-off unclaimed refund checks and asked that staff look into laws regarding unclaimed property. One account in particular has a refund owing in the amount of \$150. Following discussion, Attorney Tanaka reported that she will review the laws governing the process to identify the specific compliance and Mr. Beckman reported that SDMS will review the steps taken to locate the party to which the refund is due, and continue to try to contact the previous owner to transmit the refund check.

2010 Audit: Mr. Beckman reported that Schilling & Company, Inc., the District's Auditor, is planning to present the 2010 Audit at the April 18th meeting for acceptance.

LANDSCAPING MATTERS

Summit Services, Inc. ("Summit Services") – Monthly Report: Mr. Frederick reported that he and Mr. Bruno will be working on the property going forward and that Michael Dandeneau will no longer be a point of contact. He requested that members of the Board join him for a walkthrough inspection of the property to observe the current status and plant health. The Board directed Mr. Beckman to schedule and coordinate a Board walkthrough with Mr. Frederick.

RECORD OF PROCEEDINGS

Services to tag the trees. He will coordinate with them for installation dates and oversight.

Winter Watering: Mr. Bruno discussed the watering schedule and advised the Board that he expects approximately two additional weeks of watering to address the areas in need. He also reported that two, two-inch backflow preventers were stolen. The devices need to be replaced in order to complete the winter watering. He reported that the two-inch backflow preventers are approximately \$1,500 each. He also discussed modifying the assemblies to allow seasonal removal. Modifications to the two-inch assemblies will be included with the replacement price. Mr. Bruno recommended also modifying two, one-inch assemblies as well. The cost to modify the one-inch backflow preventers is estimated at approximately \$300 each.

Following discussion, upon motion duly made by Director Dailey, seconded by Director Samsel and, upon vote, unanimously carried, the Board authorized the purchase and installation of two new two-inch backflow preventers and modification to two, one-inch backflow preventer assemblies for an amount not to exceed \$3,600.

Mr. Bruno also reported that Summit Services has been checking the drip system and is concerned that the drip rate is too low for some of the trees and Junipers.

**OPERATION AND
MAINTENANCE
MATTERS
CONTINUED**

Mailbox Configuration at 2841 S. Ireland Way: The Board reviewed photos and discussed the mailbox configuration at 2841 S. Ireland Way.

Mr. Beckman discussed the process for reconfiguring the mailboxes and rebuilding the mailbox cover (kiosk). Following discussion, upon motion duly made by Director Samsel, seconded by Director Dailey and, upon vote, unanimously carried, the Board authorized reconfiguring the mailboxes and replacing the mail kiosk at 2841 S. Ireland Way for an amount not to exceed \$5,000 with final approval by the Board member on duty for a final quote in the event the final amount exceeds \$5,000.

Cost Estimates for Fence Painting: Following discussion, the Board determined to develop a specification for the paint and repair process and require the bidders to re-submit pricing based on the uniform specification. The Board also requested that warranty information be included with each submittal. Director Dailey reported that he is aware of a contact that could

RECORD OF PROCEEDINGS

provide the specifications necessary. He also discussed the timing for the project and suggested that the work be conducted in the fall due to complications caused by vegetation growing on or near the fencing over the spring and summer months. Mr. Beckman reported that he will also follow up on obtaining a specification for the repairs at no cost to the District. Specifications for the project will be reviewed at the next Board meeting.

LEGAL MATTERS **Ownership and Maintenance of Fences Separating District and Private Property:** Attorney Tanaka reported that she has been referred to Bob Rogers, a Deputy City Attorney. She noted that she will report back to the Board following her discussions with Mr. Rogers.

Offer by DR Horton for Settlement of Issues Related to Tree Installation: The Board considered ratifying acceptance of the offer of \$5,000 by DR Horton for settlement of issues related to tree installation.

Following discussion, upon motion duly made by Director Davis, seconded by Director Staley and, upon vote, unanimously carried, the Board ratified acceptance of the offer of \$5,000 by DR Horton for settlement of issues related to tree installation.

BOARD MEMBER **Trees:** Director Staley reviewed the revised proposal from Summit Services and discussed the species listed. He reported that the original proposal from Summit did not include the same species listed in the revised proposal. Director Samsel expressed concern that the price per tree had increased from the proposal originally approved. Mr. Beckman explained that the Board approval was conditioned upon species selection by Director Staley, and once the species selection was changed, the cost per tree also changed. Director Staley reported that he has been working with Summit Services for approximately six weeks to obtain the final pricing. He further reported that he corresponded with Green Spot, Inc. who estimated the project at approximately \$100 less per tree for the same scope of work.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Dailey and, upon vote, unanimously carried, the Board determined to have Green Spot, Inc. provide a formal proposal with species specific trees including the quantity. The proposal will then be provided to Summit Services for an opportunity to match the estimate.

RECORD OF PROCEEDINGS

Directors Samsel and Dailey will jointly approve or decline the Green Spot, Inc. proposal in the event Summit Services is unable to match the estimated costs.

Board Involvement: Director Samsel expressed gratitude that the Board is so involved with the community.

Guaranty Bank: Director Dailey reported that he discussed with Guaranty Bank changing the Security Administrator for on-line access to view bank balances. John Warnick is currently the Security Administrator.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Dailey and, upon vote, unanimously carried, the Board authorized Director Dailey to become the Security Administrator.

Monument Lighting: Director Dailey reported that the monuments on Tracts B and RR are not lighted. Mr. Beckman advised the Board that he will have necessary repairs made.

NEW BUSINESS

New Business: There was no new business to discuss.

CONTRACT APPROVALS

Landscape Annual Expenditures Matrix: Mr. Beckman reviewed the matrix with the Board.

LEGAL MATTERS CONTINUED

Litigation against D.R. Horton: Attorney Tanaka reported that she has not received any additional information from Attorney McKenzie regarding the status of deconstructive testing. Director Dailey reported that there was a scheduling conflict between the destructive testing crew and the irrigation technicians. The Attorney Tanaka reported that she will remind Attorney McKenzie that scheduling needs to be coordinated.

OTHER BUSINESS

Community Outreach: The Board directed Mr. Beckman to include the following items in the April 2011 Community Update:

- Stolen backflow preventers; identify Summit Services' uniforms
- Tree replacements will take place as soon as possible; the first phase will be done along Jericho way and Hampden; all

RECORD OF PROCEEDINGS

- in City of Aurora right of way; previously removed trees throughout the community will also be replaced
- Fence repainting will be done in this fall

ADJOURNMENT

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

Respectfully submitted,


By: 

Secretary for the Meeting

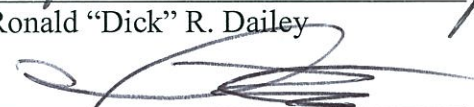
THESE MINUTES WERE APPROVED AS THE OFFICIAL MARCH 21, 2011 MINUTES OF THE CONSERVATORY METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



Don G. Samsel

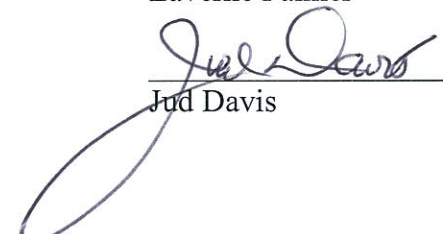


Ronald "Dick" R. Dailey

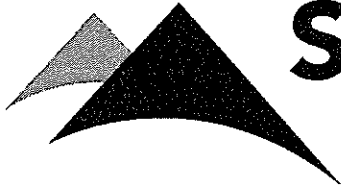


Dan Staley

Laverne Palmer



Jud Davis



Summit Services

I N C O R P O R A T E D

Monthly Landscape Report

Property Name: The Conservatory Metro District

Report by: Michael Dandeneau

Date: March 10, 2011

The following report is contract items performed between February 15, 2011 through March 10, 2011. The next month's activities are projected per contract specifications.

Completed Work This Month:

- Monitor moisture levels of trees and shrubs.
- Snow removal as needed.
- Cutting back of Ornamental grasses began on March 10, 2011 and will be completed by March 11.
- Landscape bed pre-emergent will begin on March 14.
- Irrigation system will be activated this month to provide winter watering.

Projected Work Next Month:

- Turf aeration
- First round turf fertilization with pre-emergent
- 2 mows will be completed in April
- Monitoring of tree and shrub moisture
- Snow removal as needed.

Other Observations:

There are some Pines and Evergreens along Conservatory Parkway showing sign of stress

Thank you for the opportunity to help manage your community.

Respectfully,

Michael Dandeneau
Account Manager