

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CONSERVATORY METROPOLITAN DISTRICT HELD MAY 16, 2016

A Regular Meeting of the Board of Directors (referred to hereafter as "Board") of the Conservatory Metropolitan District, (referred to hereafter as "District"), was convened Monday, the 16<sup>th</sup> day of May 2016, 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:

Laverne Palmer  
Birgit Baldwin  
Dan Staley  
Pedro L. Moczo, Jr.  
Ronald Degenhart

#### Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc. ("SDMS, Inc.")  
  
Jennifer Gruber Tanaka, Esq.; White Bear Ankele Tanaka & Waldron, P.C.  
  
Georgia Harland; Simmons and Wheeler, P.C.  
  
Marcella Caywood, President, and Bill Fisher, Vice-President; Conservatory Homeowners' Association ("HOA")

See attached sign-in sheet for additional attendees

#### DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of 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 Directors Palmer, Staley, Moczo, Baldwin and Degenhart, along with each consultant, confirmed that they have no conflicts of interest in connection with any of the matters listed on the Agenda.

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### PLEDGE OF ALLEGIANCE

**Pledge of Allegiance:** Director Staley led the Board in reciting the Pledge of Allegiance.

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### ADMINISTRATIVE MATTERS

**Agenda:** Director Palmer reviewed with the Board the proposed Agenda for the District's Regular Meeting.

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

**Oaths of Office:** Mr. Beckman advised that Oaths of Office were distributed to Directors Staley and Palmer upon their election at the May 3, 2016 Regular Election.

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### CONSENT AGENDA

**Consent Agenda:** The Board considered the following actions:

- Approve Minutes of the March 21, 2016 Regular Meeting, as amended
- Acknowledge Homeowners' Association Meeting Reports/Updates
- Determine Director on Duty for the months of October and November 2016
- Acknowledge the Collections Report through April 2016

Following review, upon motion duly made by Director Baldwin, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the Consent Agenda, as amended.

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### COMMUNITY COMMENTS

**Community Comments:** Mr. Fisher updated the Board on HOA activity, noting that the HOA will host a community garage sale on May 21<sup>st</sup>; the swimming pool will open May 28<sup>th</sup>; and the HOA will host an event called "Movie Night in the Park" featuring *Kung Fu Panda III*. Mr. Fisher noted that, in the event of bad weather, the movie will be viewed at the school.

Mr. Johnston addressed the Board regarding his concerns about Valley Crest Landscape Maintenance, Inc. ("Valley Crest") and unsatisfactory snow removal and landscaping services. He noted that he has expressed his concerns on a number of occasions both to Mr. Beckman and to Matt Campbell, the account manager at Valley Crest. The Board entered into discussion regarding areas for which the District is responsible for maintaining landscaping and providing snow removal services. Mr.

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Beckman clarified that the landscaping responsibility for Tracts, TT, WW, VV and YY is with the City of Aurora. Mr. Johnston indicated that snow around the mail kiosk on East Girard Drive is frequently left uncleared and that residents in the area have assumed that responsibility. The Board assured Mr. Johnston they understood his grievances and that action is being taken to correct the problem. Director Baldwin added that two invoices for snow removal are being held and will not be paid until such time as the contractor can furnish evidence of the work having been completed.

### FINANCIAL MATTERS

**Claims:** The Board reviewed the check register for the period ending April 19, 2016 including check numbers 2758 through 2767, totaling \$52,070.82. Ms. Harland noted that check number 2758 in the amount of \$4,692.25 was the release of retainage and final payment to Standard Fence Company for fence replacement work performed in 2016, and that check number 2767 in the amount of \$27,240.72 to the City of Aurora is payment of the regional mill levy annually imposed pursuant to the Amended and Restated Service Plan and IGA with the City.

The Board entered into discussion regarding invoices for snow removal from Valley Crest. Director Baldwin expressed her unwillingness to approve payment without sufficient evidence that work was actually performed on April 17<sup>th</sup> and 19<sup>th</sup>. Director Baldwin reported she witnessed no snow removal work performed on either date. Director Palmer agreed with Director Baldwin and recommended taking that course of action. The Board directed Mr. Beckman and Director Baldwin to contact the Regional Manager for Valley Crest to express the Board's concerns and to request additional documentation showing that the work was performed on the dates in question.

Following review and discussion, upon motion duly made by Director Baldwin, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the check register for the period ending April 19, 2016 including check numbers 2758 through 2767, as amended.

**Cash Position Schedule:** Ms. Harland reviewed the Cash Position Schedule as of May 16, 2016 and the current cash flow projection through June 2017 with the Board.

Following discussion, upon motion duly made by Director Baldwin, seconded by Director Staley and, upon vote, unanimously carried, the Board accepted the cash position schedule as of May 16, 2016 and the current cash flow projection through June 2017.

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**Financial Statements:** Ms. Harland reviewed with the Board unaudited financial statements of the District for the period ending April 30, 2016. Attorney Tanaka advised that the District may be required to start replenishing the debt service reserve fund this year with excess revenues pursuant to the bond documents. The Board directed Ms. Harland to confirm the District's requirements with Mr. Simmons and report back to the Board.

Following review and discussion, upon motion duly made by Director Baldwin, seconded by Director Staley and, upon vote, unanimously carried, the Board accepted the unaudited financial statements of the District for the period ending April 30, 2016.

### LANDSCAPING MATTERS

**Landscape Expenditure Budget Tracking Matrix:** Mr. Beckman reviewed the Landscape Expenditure Budget Tracking Matrix with the Board. Director Palmer requested that provision be made in the 2017 Budget for winter watering under the landscape maintenance line item.

**Report from Valley Crest Landscape Maintenance, Inc.:** The Board reviewed the monthly report from Valley Crest.

**Landscaping Committee Update:** The Landscaping Committee expressed dissatisfaction with the quality of services provided by Valley Crest and requested that the Board authorize Mr. Beckman to prepare a Request for Proposals for 2017 Landscaping Services. Director Palmer noted that the trash pick-up is not being performed satisfactorily and noted that there is a large accumulation of trash behind the wildlife barrier on the Districts' tracts.

Following discussion, upon motion duly made by Director Degenhart, seconded by Director Moczso and, upon vote, unanimously carried, the Board authorized Mr. Beckman to prepare a Request for Proposals for 2017 Landscaping Services and work with the Landscaping Committee to obtain proposals in time to consider with the 2017 budget preparation.

**Contractor Interviews:** Mr. Beckman briefed the Board on interviews conducted with Valerian and with Ivy Street Designs, contractors bidding to perform Landscaping Design Services for the District. He advised that the Landscaping Committee is in agreement that Ivy Street Designs is the superior contractor for the District's purposes, and Mr. Beckman reviewed with the Board a proposal from Ivy Street Designs to design a pilot project. Director Palmer inquired about the location of the pilot project and Directors Staley and Baldwin explained that the area has yet to be determined, but will

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likely be an area currently in disrepair. Director Degenhart noted that the proposal indicates that the design is for the entire community and not for a pilot area only. Mr. Beckman explained that the scope of work will be clarified in the contract, and the intent of the proposal is to limit the design, first to a pilot area, then to expand the design based on feedback on that initial area. Director Palmer queried the Committee about whether the contractor will incorporate the recommendations of the 2013 Irrigation Audit. The Committee members confirmed that the contractor will adhere to these recommendations. Director Palmer asked about the installation of smart controllers and the status of an updated proposal. Director Baldwin explained that the proposal for smart controllers will be provided in time for consideration with the 2017 Budget. Director Staley added that the controllers can be installed regardless of the anticipated irrigation design modifications.

Following discussion, upon motion duly made by Director Degenhart, seconded by Director Moczo and, upon vote, unanimously carried, the Board approved the proposal for Landscape Design Services from Ivy Street Designs, subject to clarification of the scope of services, for the design of a pilot project in an amount not-to-exceed \$19,000.

**Shrub Removal and Replacement:** Mr. Beckman advised the Board that the Landscaping Committee distributed a Request for Proposal (“RFP”) for the shrub replacements to Valley Crest, Summit Services, Inc., and TerraCare. Valley Crest and Summit Services, Inc. submitted bids after the required deadline and TerraCare did not respond. Mr. Beckman explained that the bid from Summit Services incorrectly included the removal of shrubs that have already been removed, and that the Committee is awaiting a revised proposal. Director Baldwin advised that the Committee recommends increasing the scope of work to include shrub replacements and pruning of Cotoneaster and Juniper. The Committee estimates that all shrub replacement and pruning work can be performed for an amount not-to-exceed \$25,000.

The Board entered into discussion regarding authorizing Summit Services, Inc. to perform shrub removal work for an amount not-to-exceed \$25,000 and the sources of funds for the project.

Following discussion, upon motion duly made by Director Degenhart, seconded by Director Moczo and, upon vote, unanimously carried, the Board authorized Summit Services, Inc. to perform shrub removal work for an amount not-to-exceed \$25,000, subject to finalization of the scope of services by the Landscaping Committee.

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**Status of Tree Replacement Project:** Mr. Beckman advised the Board that tree replacement has been scheduled for the week of June 6, 2016, and that Directors Staley and Baldwin will visit the nursery to select the best trees. Directors Staley and Baldwin conferred to determine an agreeable time for their nursery visit and determined to settle on an agreeable date and time outside the Board meeting. Director Baldwin noted that had the District engaged Swingle Lawn and Tree Service, the work would likely be complete with a two-year warranty in place. The timing for the replacement was discussed and it was noted that it may be 4-8 weeks before the trees can be planted due to Summit's schedule. Concern regarding the timing of the planting was expressed due to increased temperatures.

**Proposal for Branch Removal from Valley Crest:** The Board entered into discussion regarding a proposal for branch removal from Valley Crest. Director Baldwin advised the Board that limbs remained to be collected from pruning work performed in March. Director Palmer requested that completion of projects that are not designated to a specific Committee, and report the status to Mr. Beckman.

Following discussion, upon motion duly made by Director Staley, seconded by Director Baldwin and, upon vote, unanimously carried, the Board approved Addendum No. 5 to the Independent Contractor Agreement between the District and Valley Crest for an amount not to exceed \$1,644.50.

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### OPERATIONS AND MAINTENANCE MATTERS

**Manager's Report:** Mr. Beckman reviewed his report with the Board. A copy of the Manager's Report is attached hereto and incorporated herein by this reference.

**Fence Committee Update:** The Board reviewed an update from the Fence Committee. Director Degenhart reported to the Board that fencing work has been completed and retainage has been released. He noted that the final phase of the project will be undertaken in 2017. Director Palmer advised that she will work with Director Degenhart to remove all utility marking flags from common areas and to notify residents of their responsibility to remove the flags from their property.

**Wildlife Barrier Committee Update:** Director Moczo advised the Board that the work is complete. He has discovered a prairie dog burrow on District property. He will further examine the area and report back to the Board. Director Palmer suggested that Director Moczo walk the entire area on Hampden and the barrier areas for activity and treatment by Orkin.

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**Signage Regarding Postings at Mailbox Kiosks:** The Board determined to defer this matter to the September 19, 2016 Regular Meeting for incorporation into the 2017 Budget.

**Landscaping Adjacent to Mailbox Kiosk No. 5:** The Board entered into discussion regarding landscaping adjacent to Mailbox Kiosk No. 5, and considered authorizing Mr. Beckman to solicit bids for concrete installation.

Following discussion, upon motion duly made by Director Staley, seconded by Director Baldwin and, upon vote, unanimously carried, the Board authorized Mr. Beckman to solicit bids for concrete installation. Mr. Beckman noted he will circulate any received bids with the Board.

**Additional Pet Waste Stations in Tracts JJ and Z:** Mr. Beckman reported that he received complaint from a resident regarding pet owners not picking up after their dogs in the City owned tracts on the west side of the District. Mr. Beckman presented a proposal from Dogwood Poop Scoop Service for the installation of four additional pet waste disposal stations to be installed near the entrances to the City owned tracts in the amount of \$2,150. Attorney Tanaka explained that the District would need to obtain an addendum to the Master License Agreement for the placement of District owned improvements on City property. Following discussion the Board determined not to pursue installation of the additional stations. Director Palmer asked Mr. Beckman to follow up with the homeowner that made the request and explain the Board's decision.

**Monument Painting Update:** Mr. Beckman reported that the work has been completed, but that a monument located at South Conservatory Parkway and South Ireland has yet to be painted. Director Baldwin confirmed this is the case. Mr. Beckman explained that the scope of work was for thirteen monument signs, and that one sign in the Lennar tract was painted that should have been explicitly excluded from the scope of work.

The Board entered into discussion regarding an addendum providing for painting of an additional monument.

Following discussion, upon motion duly made by Director Baldwin, seconded by Director Degenhart and, upon vote, unanimously carried, the Board authorized the preparation of an addendum to the Monument Painting Contract for the painting of an additional monument, and authorized release of payment for the work performed to date. The Board directed Mr. Beckman to request repayment from Lennar for the monument painted by the District.

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### LEGAL MATTERS

**Senate Bill 211:** Attorney Tanaka advised the Board that Senate Bill 211 passed in the Colorado State Senate and House of Representatives and is waiting to be signed by the Governor.

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### BOARD MEMBER INPUT

**Board Member Input:** Director Degenhart inquired into the status of the stone monument and pier repairs. The Board noted that it was determined to hold off until 2017 when more repairs were needed so that a contractor can be obtained. This would also be after the fence project is complete.

Director Palmer requested that all directors review meeting materials prior to Board meetings and provide comments on the draft minutes and the manager's report to Mr. Beckman via email by the Thursday prior to each meeting.

Following discussion, upon motion duly made by Director Baldwin, seconded by Director Moczo and, upon vote, unanimously carried, the Board approved the policy of providing comments on the draft minutes and the manager's report by no later than the Thursday prior to each meeting.

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### EXECUTIVE SESSION

Pursuant to Sections 24-6-402(4)(b) and (e), C.R.S. upon motion duly made by Director Palmer, seconded by Director Degenhart and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 10:39 a.m. for the purpose of discussing negotiations with third parties and receiving legal advice, as authorized by Sections 24-6-402(4)(b) and (e), C.R.S.

Pursuant to Section 24-6-402(2)(d.5) (II)(B), C.R.S., no record will be kept of the remaining portion of this executive session that, in the opinion of the District's attorney, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 11:16 a.m.

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### OTHER BUSINESS

**Community Outreach:** The Board discussed the following items as information to be included in the May 2016 Community Update. It was noted that, when available, this information will be posted on the District's new website.

- Scheduling of Tree Replacement
  - Completion of Fence Replacement; 2017 Final Phase of Fence Replacement; Removal of Utility Marking Flags
  - Notice that Valley Crest is now Bright View
  - Dog Stations on City Tracts
  - Shrub Replacement Efforts
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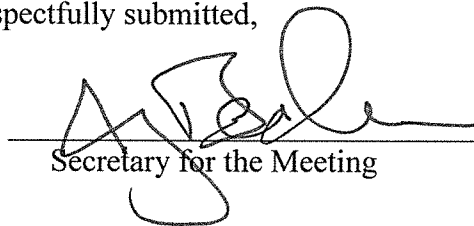
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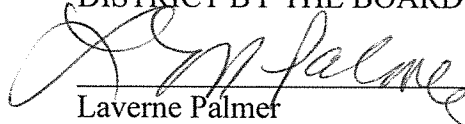
**ADJOURNMENT**

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,

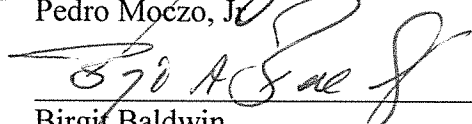
By:   
Secretary for the Meeting

THESE MINUTES WERE APPROVED AS THE OFFICIAL MAY 16, 2016 MINUTES OF THE CONSERVATORY METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
Laverne Palmer

  
Dan Staley

  
Pedro Moczo, Jr.

  
Birgit Baldwin


  
Ronald Degenhart

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### Attorney Statement Regarding Privileged Attorney-Client Communication

Pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Conservatory Metropolitan District, I attended the executive session on May 16, 2016 for the sole purposes of providing legal advice on specific legal questions and discussing matters subject to negotiation, as authorized by §§24-6-402(4)(b) and (e), C.R.S. I further attest that it is my opinion that all or a portion of the executive session discussion constituted attorney-client privileged communication as provided by §24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.

  
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Jennifer Gruber Tanaka, Esq.  
General Counsel  
Conservatory Metropolitan District

# CONSERVATORY METROPOLITAN DISTRICT

\_\_\_\_\_, 2014

Please print your name and address (Optional: please print your phone number and email) and summarize the issue(s) you are interested in addressing at this meeting.

Bill Johnston 20633 E Girard Dr 6939816	DERRISE HUNABE PL 30469 E LINVALE PL DERRISE@AOTMNHIL.COM			
Bill Fisher 21102 E. Eastman Ave	Rick Frie 21235 E. EASTMAN AVE RICKFRIE@OUTLOOK.COM			
Marcello Caywood 27355 Ireland Sq	Caywood			

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## DISTRICT MANAGER'S REPORT

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To: Board of Directors, Conservatory Metropolitan District  
From: AJ Beckman, District Manager  
Date: May 10, 2016

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### **Action Items of Interest or Recently Completed:**

No. 240: Ownership of Off-Site Detention Ponds: Jennifer, Laverne and AJ met with the City of Aurora ("the City") on March 16<sup>th</sup> and May 2nd. This item will be discussed in Executive Session at the May 16, 2016 Board Meeting.

No. 296 Replacement of Stones on Walls, Monuments and Piers: At the March 12, 2016 Board meeting the Board determined to pursue this item following the completion of the Fence Replacement Project.

No. 309, Water Discharging from Sump Pump at 2895 S. Killarney Way (Assignment of Master License Agreement): The drainage work was completed on January 26, 2015. An addendum to the Master License Agreement with the City was prepared and submitted to the City along with a check in the amount of \$488. After several rounds of communications and changes to the Addendum language and exhibits, Mr. Beckman received a call from Jeffrey Hannah with the City indicating that the Master License Agreement will need to be assigned to the District. Mr. Beckman, Mr. Hannah and Attorney Tanaka discussed the assignment via teleconference. The documents necessary to complete the assignment are currently being prepared. As part of the process SDMS is assisting with verification of the location of improvements included on the exhibits that will be included in the agreement.

No. 392 Interview Design Firms: Interviews with Ivy Street Design and Valerian were conducted on Wednesday, April 27, 2016 for landscaping design services. AJ, Dan and Birgit were in agreement that Ivy Street Designs was the better candidate. Ivy Street Designs will provide a modified proposal as requested by the Committee for review and discussion at the May 16<sup>th</sup> Board meeting.

No. 367, Proposal for Removal of Remaining Dead Shrubs: At the request of the Landscaping Committee Mr. Beckman obtained a proposal from Valley Crest Landscape Maintenance, Inc. in the amount of \$16,050.60. At the direction of the Board, additional detail and resubmittal of the proposal was requested. The proposal was broken into three separate proposals by Valley Crest entitled; Plant Pruning, Juniper & Cotoneaster Removal, and Shrub and Plant Removal, respectively. The proposals were included with the January 25, 2016 Board Meeting Packet. The Board and Landscaping Committee decided to request additional clarification to the scope of work. The Landscaping Committee subsequently determined that the proposal for Plant Pruning in the amount of \$1,398.60 is ready for approval and the work has been completed. Director Baldwin worked with Valley Crest to refine and clarify the scope of work for removal work, and a revised proposal was provided by Valley Crest on May 5, 2016 in the amount of \$16,406.

The Landscaping Committee decided to also obtain proposals to replace shrubs where the Arctic Willows were previously removed. A request for proposal was sent to Valley Crest, Summit Services, and TerraCare. Proposals were received by Summit Services, Inc. and Valley Crest. Following review by the Landscaping Committee, it was determined that a budget of \$25,000 should be sufficient to accomplish the installation of new shrubs where

Arctic willows were removed and address the removals of Juniper and Cotoneaster. The Landscaping Committee will discuss its plan for the shrub removal and replacement work and request that the Board approve a budget for the work, not to exceed \$25,000.

No. 394, Pet Waste Stations: A proposal for the installation of four additional pet waste stations has been requested from Dogwood Poop Scoop for the entrances to City owned tracts, JJ and Z, and will be included with the meeting materials.

Monument Painting: Bomar Painting completed the monument painting on April 27, 2016. The invoice includes an increase of \$56.35 for purchase of color samples as requested by Mr. Beckman to ensure a color match. The total cost is \$1,343.35, which is well within the approved contract limit of \$3,614.00.

No. 344: Lennar Punch List Items: On May 2, 2016 AJ sent the final version of a letter to the City requesting that the final two Certificates of Occupancy be withheld by the City until Lennar has satisfied all punch list items and the public improvements are accepted by the District. A copy of the final letter was sent to all Directors under separate cover. Terry von Clausburg with the City subsequently confirmed via email that the City will add the District's punch list items to the City's items and require completion of all items noted prior to closing out the project. Mr. von Clausburg confirmed that withholding Certificates of Occupancy is an option the City may choose to exercise.

No. 393: Irrigation Start Up: On May 4<sup>th</sup> Valley Crest began the process of starting up the system. Representatives from Roberts Treescape (RTS) and Valley Crest met to discuss irrigation system repairs and replacements necessary were the system was affected by the third phase of installation of the Prairie Dog fence. Repairs were made by RTS at no cost to the District.

Schedule for Board Member on Duty:

<b>May 2016</b>	<b>June 2016</b>	<b>July 2016</b>	<b>August 2016</b>	<b>Sept. 2016</b>	<b>October 2016</b>	<b>Nov. 2016</b>
Ron	Dan	Birgit	Laverne	Pete	Ron	Dan
<b>Dec. 2016</b>	<b>Jan. 2017</b>	<b>Feb. 2017</b>	<b>March 2017</b>	<b>April 2017</b>	<b>May 2017</b>	<b>June 2017</b>
Birgit	Laverne	Pete	Ron	Dan	Birgit	Laverne