

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CONSERVATORY METROPOLITAN DISTRICT HELD MARCH 18, 2013

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 18<sup>th</sup> day of March, 2013, 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:

Ronald "Dick" R. Dailey  
Laverne Palmer  
Dan Staley  
Jud Davis  
Rick Speaect

##### Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc.  
Jennifer Gruber Tanaka, Esq.; White, Bear & Ankele, P.C.  
Georgia Harland; Simmons & Wheeler, P.C.  
Dawn Shilling; Schilling & Company, Inc.  
Pat Bruno and Mark Frederick; Summit Services, Inc.

#### CALL TO ORDER

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

#### 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 each Board member and consultant confirmed that they had no conflicts of interest in connection with any of the matters listed on the Agenda.

#### ADMINISTRATIVE MATTERS

Agenda: Director Dailey reviewed with the Board the proposed Agenda for the District's regular meeting.

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Following discussion, upon motion duly made by Director Speaect, seconded by Director Staley and, upon vote, unanimously carried, the Board ratified approval of the payment of claims for the period ending February 19, 2013, including check numbers 2272 through 2280, in the total amount of \$19,045.41.

**March 2013 Claims:** Ms. Harland distributed and reviewed with the Board a check register for the period ending March 15, 2013, including check numbers 2281 through 2289, in the total amount of \$30,114.30.

Following discussion, upon motion duly made by Director Speaect, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending March 15, 2013, including check numbers 2281 through 2289, in the total amount of \$30,114.30. Ms. Harland noted that work by Simmons & Wheeler, P.C. associated with the 2012 Audit will be listed under the audit line item in the unaudited financial statements. She explained that this will put the audit line item over budget.

**Cash Position Schedule and Current Cash Flow Projection:** Ms. Harland reviewed the cash position schedule as of March 18, 2013 and current cash flow projection through June of 2014 with the Board.

**Financial Statements:** Ms. Harland presented the unaudited financial statements for the period ending February 28, 2013 for the Board's review. It was noted that the irrigation audit will likely happen between April and May. It was further noted that the Reserve Study will likely be billed in April or May and that the metal fence repair bills will likely happen sometime between October and December. Discussion ensued regarding the use of the Aurora Regional Mill Levy. The Board directed Attorney Tanaka to inquire with the City of Aurora as to the intended use of the amounts remitted by the District. Director Dailey requested that Attorney Tanaka also inquire as to whether these funds can be used to reverse a variance approved by the City to install wooden fencing on private property at S. Conservatory Parkway and E. Brunswick Place when a metal fence was required.

Following discussion, upon motion duly made by Director Staley, seconded by Director Davis, and upon vote, unanimously carried, the February 28, 2013 unaudited financial statements were accepted.

**2012 Audit:** Ms. Schilling reviewed the 2012 draft Audit with the Board and noted that she is prepared to issue an unqualified opinion.

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Following review and discussion, upon motion duly made by Director Staley, seconded by Director Speaect and, upon vote, unanimously carried, the Board accepted the 2012 Audit and authorized execution of the Representations Letter.

### LANDSCAPING MATTERS

**Summit Services, Inc. (“Summit Services”) – Monthly Report:** Mr. Frederick reviewed the report with the Board. Director Palmer inquired as to the status of the winter watering; specifically the new trees and the evergreen trees. She thanked Summit Services for including points of concern and recommendations to address them in their report. She inquired about the status of the landscaping damage resulting from the wall work. Mr. Frederick reported that they have not yet met with Jack O’Rourke. Director Staley inquired as to the status of repairs to the turf damage. Mr. Bruno recommended an additional aeration for the bluegrass throughout the District. He also recommended that the native areas be reassessed later this spring. Mr. Bruno inquired as to the need for an irrigation audit. Director Daily requested that Summit Services provide a proposal for an irrigation audit.

Following discussion, the Board directed the Landscaping Committee to proceed with developing a bid specification, obtaining bids and engaging a contractor for an irrigation audit.

**First Addendum to the Independent Contractor Agreement between the District and Summit Services, Inc. (“Summit Services”) for Winter Watering Evergreen Trees (Cost Estimate No. 1053):** The Board entered into discussion regarding Cost Estimate No. 1053 from Summit Services for winter watering of the evergreen trees and the corresponding First Addendum to the Independent Contractor Agreement between the District and Summit Services.

Following discussion, upon motion duly made by Director Davis, seconded by Director Staley and, upon vote, unanimously carried, the Board ratified approval of the First Addendum to the Independent Contractor Agreement between the District and Summit Services for winter watering of the evergreen trees for an amount not to exceed \$3,740, pursuant to Cost Estimate No. 1053.

### OPERATION AND MAINTENANCE MATTERS

**Manager’s Report:** The Board reviewed the Manager’s Report.

**Independent Contractor Agreement (Maintenance Reserve Study):** The Board reviewed proposals to perform a maintenance reserve study

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from Tamarack Consulting, LLC and Steven A. Prokopiak, P.E. and discussed the corresponding Independent Contractor Agreement (Maintenance Reserve Study).

Following discussion, upon motion duly made by Director Davis, seconded by Director Speaect, and upon vote, unanimously carried, the Board approved an Independent Contractor Agreement (Maintenance Reserve Study) between the District and Stephen A. Prokopiak, P.E.

**Independent Contractor Agreement (Metal Fence Repairs and Replacement Scope and Bidding Services) between the District and Olsson Associates, Inc.:** The Board reviewed a proposal for the bidding phase and project management services for the metal fence project from Olsson Associates, Inc. and discussed the corresponding Independent Contractor Agreement (Metal Fencing Repairs and Replacement Scope and Bidding Services).

Following discussion, upon motion duly made by Director Davis, seconded by Director Staley, and upon vote, unanimously carried, the Board approved an Independent Contractor Agreement (Metal Fence Repairs and Replacement Scope and Bidding Services) between the District and Olsson Associates, Inc.

**Metal Fence Replacement (Due to Auto Accidents):** The Board entered into discussion regarding the status of the metal fence replacement (due to two auto accidents) and corresponding Independent Contractor Agreement (Fence Repairs from Auto Accident) and First Amendment to Independent Contractor Agreement (Fence Repairs from Auto Accident).

Following discussion, upon motion duly made by Director Staley, seconded by Director Speaect, and upon vote, unanimously carried, the Board ratified approval of an Independent Contractor Agreement (Fence Repairs from Auto Accident) between the District and ASR Companies, Inc. and approved a First Amendment to Independent Contractor Agreement (Fence Repairs from Auto Accident) between the District and ASR Companies, Inc.

**Metal Fencing Replacement/Repair Project:** The Board entered into discussion regarding the Metal Fencing Replacement/Repair Project. Mr. Beckman discussed the options for repair versus replacement of the metal fence and reviewed with the Board the recommendation for replacement by Olsson Associates, Inc. The Board directed the Walls and Fences Committee to work on a bid specification for replacing some or all of the fence this fall.

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**Prairie Dog Control:** The Board determined to defer any action for the time being, but will reconsider the matter at a future meeting.

**Proposals for Electrical Repairs to Monuments at 20587 E. Eastman Avenue and 2718 S. Ireland Way:** The Board reviewed proposals for electrical repairs to monuments at 20587 E. Eastman Avenue and 2718 S. Ireland Way from Parker Electric, Inc. and Summit Services, Inc.

Following discussion, the Board deferred the electrical work on the monuments to a future, undetermined date.

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**LEGAL MATTERS** **Second Amendment to Agreement regarding Construction, Operation and Maintenance of Certain Landscape Improvements between the District and ADM, SAN-7353, LLC:** Attorney Tanaka reviewed with the Board a Second Amendment to Agreement regarding Construction, Operation and Maintenance of Certain Landscape Improvements between the District and ADM, SAN-7353, LLC to add snow removal along the sidewalks located within Tract I of the Conservatory.

Following discussion, upon motion duly made by Director Staley, seconded by Director Davis, and upon vote, unanimously carried, the Board approved the Second Amendment to Agreement regarding Construction, Operation and Maintenance of Certain Landscape Improvements between the District and ADM, SAN-7353, LLC to add snow removal along the sidewalks located within Tract I of the Conservatory.

**First Amendment to Maintenance and Public Access Easement Agreement (Tract I Improvements) between the District and ADM, SAN-7353, LLC:** Attorney Tanaka reviewed with the Board a First Amendment to Maintenance and Public Access Easement Agreement (Tract I Improvements) between the District and ADM, SAN-7353, LLC to add snow removal along the sidewalks within Tract I of the Conservatory.

Following discussion, upon motion duly made by Director Staley, seconded by Director Davis, and upon vote, unanimously carried, the Board approved the First Amendment to Maintenance and Public Access Easement Agreement (Tract I Improvements) between the District and ADM, SAN-7353, LLC to add snow removal along the sidewalks within Tract I of the Conservatory.

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**BOARD MEMBER  
INPUT**

**Board Member Input:** Director Palmer noted that there are stones missing on the wall along Hampden Avenue. She noted that she would like to see the District maintain sufficient funding to address future maintenance needs. Director Palmer dismissed herself from the meeting at this time noting that she had another commitment to attend. Director Dailey explained that in his opinion the two most important matters before the Board are water consumption management and replacement or refurbishment of the metal fencing.

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**NEW BUSINESS**

**New Business:** There was no new business to discuss.

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**CONTRACT  
APPROVALS**

**Landscape Expenditure Budget Tracking Matrix:** Mr. Beckman reviewed the matrix with the Board. No action was taken by the Board.

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**OTHER BUSINESS**

**Community Outreach:** The Board discussed the following items as information to be included in the April 2013 Community Update:

- Metal Fencing: the project is expected to begin this fall.
  - Tree replacements – The District expects to replace 45 trees with a few near the school and the remainder at the north end of the District.
  - Turf replacement – The Board will be considering proposals for turf grass replacement in the near future.
  - Irrigation Audit – the Board is collecting proposals for an Irrigation Audit.
  - 2012 Audit – The 2012 Audit was approved.
  - A contract was awarded for the performance of a Maintenance Reserve Study.
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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

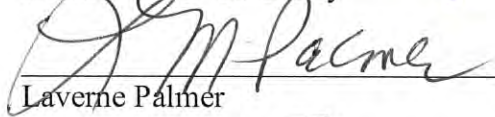
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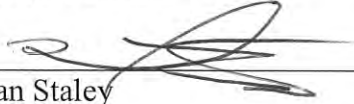
THESE MINUTES WERE APPROVED AS THE OFFICIAL  
MARCH 18, 2013 MINUTES OF THE CONSERVATORY  
METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS  
SIGNING BELOW:



Ronald "Dick" R. Dailey



Laverne Palmer



Dan Staley

Jud Davis



Rick Speaect