

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

STERLING HILLS WEST METROPOLITAN DISTRICT

Held: Thursday, May 9, 2019, at 6:30 p.m. at Balterra
Clubhouse, 2654 South Danube Place, Aurora, Colorado
80013.

Attendance:

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

Juliet Uhlott, President
Michael Lenz, Treasurer
Alberteen Ransom, Assistant Secretary
CJ Matthews, Assistant Secretary

Also present were:

Jennifer L. Ivey, Icenogle Seaver Pogue, P.C.
Debra Sedgeley, CliftonLarsonAllen, LLP
Ted Laves, Colorado Special District Management
and Operations
Donna Creamer, District resident
Larry Horton, District resident

1. Call to Order/ Declaration of
Quorum:

Director Uhlott, noting the presence of a quorum, called to
order the regular meeting of the Board of Directors (the
“Board”) of the Sterling Hills West Metropolitan District (the
“District”) at approximately 6:30 p.m.

2. Directors Matters/Disclosure
Matters:

Ms. Ivey advised the Board that pursuant to Colorado law,
certain disclosures by the Board members may be required
prior to taking official action at the meeting. The Board then
reviewed the agenda for the meeting, following which each
Board member confirmed the contents of any written
disclosure previously made, stating the fact and summary
nature of any matters, as required under Colorado law, to
permit official action to be taken at the meeting.

RECORD OF PROCEEDINGS

Director Matthews stated that there are conflicts of interest that have not been disclosed; she stated that Director Lenz stated that the Sterling Hills West HOA had discussed shifting its responsibilities to a metropolitan district. Director Lenz clarified that this was not an accurate characterization of the conversation, the issue was not discussed in an HOA meeting, and he is not on the HOA Board. Director Matthews then stated that the HOA has not paid several hundred thousand dollars' worth of money to the District for park maintenance, and the HOA shares in the use of the infrastructure without compensating the District. Director Matthews also stated that Director Uhlott stated in a meeting that she was going to approach a developer to build out space in the District as retail space and that she would rent space therein and recommended at the last meeting that prairie dogs be mitigated from a private parcel using public money. Director Uhlott refuted these claims and stated that they were not accurate and asked Director Matthews to stop making false accusations.

Director Uhlott noted that a vacancy exists on the Board due to Mr. Duncan selling his residence within the District and moving from the District boundaries and that Ms. Hatter is still interested in filling the vacancy.

Director Uhlott made a motion that the vacancy be filled by Ms. Hatter. The motion died for a lack of a second.

Director Matthews noted that another individual may have been interested but her information was not accurately provided to Director Matthews. Director Matthews then stated that the Board directed that they have diversity on the Board, and Director Matthews had sent out letters to some residents in the townhomes and Balterra in an effort to find that interested party. Director Matthews further noted that the minutes were inaccurate because they did not reflect the address of members of the public attending meetings.

Director Matthews made a motion to send out notices to the Balterra and Sterling Hills HOAs to find an individual to fill the vacancy. Director Lenz seconded the motion. The motion failed on a 2-2 vote with Directors Uhlott and Lenz

RECORD OF PROCEEDINGS

voting in favor of the motion and Directors Matthews and Ransom voting against the motion.

Director Lenz made a motion to put a notice in the newsletters for the HOAs. The motion died for a lack of a second.

Ms. Ivey stated that other special districts that she works with have published a notice of vacancy in the newspaper of general circulation and posted a notice of vacancy on the special district website and within the special district boundaries. The Board discussed various methods of conveying the information of a Board vacancy to the District residents.

Director Matthews made a motion that postcard notices of the vacancy be sent to the Balterra and Sterling Hills HOAs only. Director Ransom seconded the motion. The motion failed on a 2-2 vote with Directors Matthews and Ransom voting in favor of the motion, Directors Uhlott and Lenz voting against the motion, and Director Lenz noting he was in favor of tabling the matter.

Ms. Creamer joined the meeting at this time.

Ms. Creamer was provided Ms. Ivey's contact information to contact her in the event she is interested in applying to fill the vacancy on the Board. Ms. Creamer was also given a copy of the Board packet.

3. Approval of/Additions to/Deletions from Agenda:

Director Matthews made a motion to approve the agenda with the addition of an Item 3.5 to discuss the order of the agenda, the timing of distribution of the meeting packet, the set up the meeting room, and protocols. Director Ransom seconded and the Board unanimously approved the agenda as amended.

Ms. Ivey noted a typographical error in Item 5; the minutes are of the March 14, 2019 meeting minutes.

3.5. Director Matthews Items:

Director Matthews made a motion that Item 2 be renamed "Conflicts of Interest," Item 3 be "Approval of/Additions to/Deletions from Agenda," and Item 4 be "Director

RECORD OF PROCEEDINGS

Matters,” Director Ransom seconded the motion, and the Board unanimously approved this motion.

Director Matthews noted that the Annual Report was filed without the Board voting on it. Director Uhlott requested Ms. Ivey to clarify the Board’s direction on this matter. Ms. Ivey stated that the annual resolution approved by the Board directed legal counsel to prepare and file the Annual Report in the form requested by the City of Aurora and Ms. Ivey was directed by Director Uhlott to file it in accordance with the Board’s direction in the annual resolution.

Director Matthews made a motion that no items be filed if there is a Board meeting at which the item can be approved by the Board in advance of the filing deadline. Director Ransom seconded the motion. The motion failed with Directors Matthews and Ransom voting in favor of the motion and Directors Uhlott and Lenz voting against the motion.

Director Matthews made a motion that the Board should not sit at a round table and there should be a standard board meeting set up with the Board facing the public, the consultants/vendors located at a separate table, and a sign in sheet located at the entrance of the meeting room. The motion failed for lack of a second.

Director Lenz brought up the timing of the distribution of the Board meeting packet and requested it be provided at least a few days in advance because there is not enough time to review it. Mr. Laves suggested that this earlier distribution would require moving the meeting to the third week of the month in order to receive and process vendor invoices. Ms. Ivey suggested that the Board meeting packet might be bifurcated to include invoice information after the remainder of the Board meeting packet.

Director Uhlott made a motion to have the Board meeting packet distributed to the Board no later than midnight on the Monday before the meeting. Director Matthews stated that she believes that the packet should be distributed the Friday prior to the meeting. Director Uhlott amended her motion to 5:00 p.m. The motion failed for lack of a second.

RECORD OF PROCEEDINGS

Director Matthews made a motion to have the Board meeting packet distributed to the Board no later than midnight on the Friday before the meeting, Director Ransom seconded the motion, and it passed unanimously.

4. Public Comment for Matters Not on Agenda:

Directors Uhlott and Matthews and Mr. Laves described the boundaries and responsibilities of the District to Ms. Creamer and discussed the detention pond and surveying of the undeveloped lot in the District.

5. Approval of Meeting Minutes:

After review and discussion, Director Uhlott made a motion to approve the March 14, 2019 regular meeting minutes. Director Ransom seconded the motion. Director Matthews noted that she had not had time to review the minutes due to the late distribution of the Board meeting packet and was rushing to review them at this time. Following the unanimous vote of the Board, the March 14, 2019 regular meeting minutes were approved as presented.

6. Financial Matters:

Ms. Sedgeley reviewed the March 31, 2019 financial statements, the schedule of cash position, interim claims represented by Check Numbers 1120 through 1125, one ACH payment to Aurora Water, and an ACH credit with CliftonLarsonAllen LLP, which total \$19,556.89 and current claims represented by Check Numbers 1126 through 1134 and one ACH payment to Aurora Water which total \$15,166.13.

Director Matthews inquired about the credit balance to CliftonLarsonAllen LLP. Ms. Sedgeley explained that the December invoice was mistakenly paid twice and was therefore credited back.

Director Matthews inquired about the Dickens Place reference on the Xcel invoice. Director Uhlott looked up the location and was not able to ascertain what District property this is for. After review and discussion and upon the motion of Director Matthews and second of Director Lenz, the Board unanimously directed Mr. Laves to research what this location is and report back to the Board at the next meeting.

After review and discussion and upon the motion of Director

RECORD OF PROCEEDINGS

Matthews and second of Director Lenz, the Board unanimously accepted the March 31, 2019 financial statements and the schedule of cash position, approved the current claims as presented, and ratified the interim claims as presented.

Ms. Sedgeley reviewed with the Board the draft of the 2018 audit. Director Uhlott noted numbering errors in the notes in the 2018 audit. After review and discussion and upon the motion of Director Uhlott and second of Director Ransom, the Board unanimously approved the 2018 audit with the correction to the numbering issues and, assuming the auditor provides the anticipated unqualified opinion, authorized filing with the Office of the State Auditor and Division of Local Government.

Mr. Horton joined and departed the meeting during preceding agenda item during the discussion of the 2018 audit.

7. District Manager Report:

Mr. Laves discussed with the Board his District Manager's Report which was included in the meeting packet. The following items were discussed in detail:

Mr. Laves discussed with the Board the status of the detention pond remediation work being completed by Doyle Construction, Inc. and the analytical report and recommendations from Wright Water Engineers, Inc. Mr. Laves also reviewed with the Board the proposal from Mr. Orsatti of Lamp Rynearson, Inc., related to work to correct the drainage issues with the detention pond. Director Uhlott stated that she believes that the work by Doyle Construction, Inc. should be completed, the concrete swale should be repaired, and the orifice plate replaced and then the District should wait a year to monitor the performance of the detention pond. Mr. Laves requested that an engineer provide guidance to Mr. Doyle related to the slope. Director Matthews noted that the purpose of this exercise was to move forward, and we already knew that there was a ground water infiltration problem and waiting a year will not accomplish that goal. Director Matthews also noted concerns related to development of the adjoining parcels, the smell from the detention pond, and the fear of mosquitoes breeding in the standing water. Directors Matthews and Uhlott discussed

RECORD OF PROCEEDINGS

further the specifications for the original design of the detention pond and viability of the same. Mr. Laves clarified that Wright Water Engineers, Inc. is proposing to spend another month to study this further and provide a proposal and design to the District.

After review and discussion and upon the motion of Director Matthews and second of Director Uhlott, the Board unanimously directed Mr. Laves to (1) remove the retention pond option from the discussion, (2) have Wright Water Engineers, Inc. provide an itemized proposal, at no cost to the District, with cost estimates for a design for repairs to the orifice plate, inlet, and swale and assessment of the viability of installing a perforated pipe for drainage, and (3) allocate the remaining \$7,700 for Wright Water Engineers, Inc. to work with Doyle Construction, Inc. regarding the slope and other necessary items to complete the remediation work to the detention pond.

Mr. Laves reported on some minor repairs that are required at the pavilion in the Red Park and reviewed a proposed work order contract with Lift Property Services, LLC for handyman services with work authorization 19-01 being issued in an amount not-to-exceed \$350.00 to make the repairs. After review and discussion and upon the motion of Director Matthews and second of Director Lenz, the Board approved the work order contract and accompanying work authorization 19-01.

Mr. Laves reported that SIPA has notified him that it is time to renew the SHWMD e-mail addresses at a cost of \$88.00 and he will process that payment.

Mr. Laves reported on a communication from AMH Development regarding potential development of the parcel next to the detention pond and their inquiry regarding the development fees contemplated in the District's Service Plan. The District's resolution adopted and approved on March 8, 2000 establishing the development fees was included in the meeting packet. Ms. Ivey discussed further review of the District's records completed by her office and a Full Release of Payment Obligation Imposed by Sterling Hills West Metropolitan District Development Fees recorded on August

RECORD OF PROCEEDINGS

11, 2004 at Reception No. B4142516 with the Arapahoe County Clerk and Recorder. This Full Release was distributed at the meeting. Ms. Ivey reported that this Full Release and the information found in the District's historical files lists the development fees that have been paid in full but recommended that the legal descriptions on the Full Release be reviewed to confirm which property in the District is covered by the Full Release. After review and discussion, upon the motion of Director Uhlott and second of Director Matthews and unanimous vote the Board directed Mr. Laves and Ms. Ivey complete the research regarding which property within the District is still encumbered by the development fee.

8. Water Engineer and Detention Pond Plans:

This was discussed under Item 7 – Manager Report.

9. Possible Development and Development Fee Resolution:

This was discussed under Item 7 – Manager Report.

10. Consider Rules and Procedures regarding Conduct and Meetings:

Director Uhlott distributed a proposed abbreviated version of Roberts Rules of Order and a meeting code of conduct to help the Board ensure they are having efficient and professional meetings.

Director Matthews noted that she finds the proposed meeting code of conduct offensive and did not receive these far enough in advance to review them and research options for meeting procedures and code of conduct. Ms. Creamer noted that she does not believe this is offensive and that this is appropriate for any professional organization and she understands why it is needed. Director Ransom believes that the abbreviated version of Robert's Rules of Order is needed to keep the Board on track. Director Lenz noted that every organization that he has been a part of is following some form of Robert's Rules of Order and believes the District should follow them as well.

After review and discussion and upon the motion of Director Uhlott and second of Director Lenz, the motion passed on a 3-1 vote, with Director Matthews voting against the motion, and the Board approved using Roberts Rules of Order (Basic) – A.A Edition for all future meetings.

RECORD OF PROCEEDINGS

Director Matthews noted that she believes the Meeting Code of Conduct makes Director Uhlott judge and jury and creates potential EEOC issues. Director Lenz noted that things need to not be made personal during District meetings.

After review and discussion and upon the motion of Director Uhlott and second of Director Ransom, the motion passed on a 3-1 vote, with Director Matthews voting against the motion, the Board approved the Meeting Code of Conduct as revised for all future meetings.

11. Legal Matters:

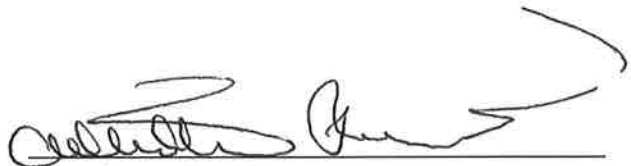
Ms. Ivey reported that the legislative session closed on May 3, 2019 and there are still several bills that passed through the legislature that have not yet been signed into law by the Governor. As such, her firm is continuing to monitor legislation that might impact the District and will have a summary of such legislation for the Board as soon as it is available. Ms. Ivey further reported that House Bill 19-1087 was signed into law on April 25, 2019 and removes the requirement for posting notices of special district meetings in 3 locations within the special district and directs special districts to comply with the notice requirements under the Colorado Open Meetings Law and endeavor to use website posting for notices. Ms. Ivey suggested that this item be placed on the agenda for the August meeting for discussion of notice procedures going forward.

12. Other Business:

Director Uhlott directed that Ms. Ivey provide the Board with information about dividing the District into director precincts before the August meeting and directed Mr. Laves to place this item on the agenda for the August meeting.

13. Adjourn:

There being no further business to come before the Board, upon motion of Director Matthews, second of Director Uhlott and unanimous vote, the meeting was adjourned at 10:10 p.m.



Secretary of the Meeting