

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

STERLING HILLS WEST METROPOLITAN DISTRICT

Held: Thursday, May 14, 2020, at 6:30 p.m. via Zoom Online Meeting at <https://bit.ly/3bjHgnC> or by phone at 346-248-7799 (Code 910-0768-5203) due to closure of the regularly scheduled meeting location, the Balterra Clubhouse, 2654 South Danube Place, Aurora, Colorado 80013, as a result of the State of Emergency declared by Governor Polis, Public Health Order 20-28, Governor Polis' Safer at Home Order D2020 044, and CDC recommendations against gathering in large groups in order to mitigate the spread of the COVID-19 virus. Notices advising members of the public of the login url and call in-number to join the meeting were posted on the District's website and at the District's regular posting locations.

Attendance:

A special 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 (*via zoom/telephone*)
Michael Lenz, Treasurer (*via zoom/telephone*)
Alberteen Ransom, Secretary (*via zoom/telephone*)
CJ Matthews, Asst. Secretary (*via zoom/telephone*)
Christine Hatter (*via zoom/telephone*)

Also present were:

Jennifer L. Ivey, Icenogle Seaver Pogue, P.C. (*via zoom/telephone*); Edward W. (Ted) Laves, Colorado Special District Management and Operations (*via zoom/telephone*); Debra Sedgeley, CliftonLarsonAllen LLP (*via zoom/telephone*); and Andrew Earles, Wright Water Engineers, Inc. (*via zoom/telephone*).

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

2. Director Matters: Mr. Ivey reported that oaths of office were received from Directors Uhlott, Ransom, and Hatter on May 11, 2020 and were filed with the Arapahoe County Court, Division of Local Government, and Arapahoe County Clerk and Recorder on May 12, 2020. As such, the term of office for all three Directors has commenced and they may participate in the meeting.

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.

3. Approval of/Additions to/ Deletions from Agenda: Ms. Sedgeley requested that “Review and Approval of 2019 Audit” be added as Item 6.b. Director Matthews requested “Meeting Notices and Protocol” be added as Item 4.5. After review and discussion, upon the motion of Director Matthews and second of Director Ransom, the Board unanimously approved the agenda with these two revisions.

4. Public Comment for Matters Not on Agenda: None.

- 4.5. Meeting Notices and Protocol: Director Matthews inquired why Director Uhlott stated she was recording the meeting when she had previously stated that meetings would not be recorded. Director Uhlott stated that she thought it was typical with Zoom meetings. Ms. Ivey advised that it is not required, and Director Uhlott stated that the recording would be stopped. Director Matthews inquired about the notifications necessary to hold this meeting and the March 12th meeting via telephone and/or zoom. Ms. Ivey reported that this meeting had been noticed as a special meeting since it is not at the regular location. Ms. Ivey further advised that for the March 12, 2020 meeting notice was promptly provided by posting on the District’s website and

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by emailing and providing personal notice to Directors and consultants as soon as the District was aware of the closure of the Balterra Clubhouse. Additionally, Ms. Sedgeley was at the Balterra Clubhouse to inform anyone that came to that location to dial into the conference line and she remained at the Balterra Clubhouse for the duration of the meeting. Director Matthews noted that the last-minute change of location of the March meeting was inconvenient for her since she is busy during the day and unable to break away to check on District matters. Director Matthews also stated that she believes that the District needs to provide Board members with District emails and the technology necessary to use and access zoom meetings. Director Uhlott noted that the Board has previously opted not to provide District emails in order to avoid the cost associated therewith. Director Ransom noted that in light of the worldwide pandemic it seems that everyone has taken all actions reasonable to accommodate the current situation and that the Board should wait a few more meetings and see where things are before making any decisions about providing District email addresses and/or additional technology for accessing zoom meetings. Mr. Laves was instructed to investigate the cost of additional email accounts and the Board's previous decision to only have an email account for the District Manager and an email account for invoices.

5. Consider Approval of Minutes:

The Board reviewed the meeting minutes of the November 14, 2019 regular meeting, January 9, 2020 special meeting, February 20, 2020 special meeting and March 12, 2020 regular meeting. Director Matthews stated that Item 8 of the November 14, 2019 regular meeting minutes needs to be revised to indicate that Mr. Doyle was invited by Director Uhlott. Director Uhlott stated that she had no problem with that change. Following discussion, Director Ransom moved approval of the November 14, 2019 regular meeting with Director Matthews' requested revision. Director Lenz seconded the motion, and upon vote the motion carried with Director Hatter abstaining from voting. Upon the motion of Director Lenz and second of Director Ransom, the Board voted to approve the January 9, 2020 special meeting minutes with Director Hatter abstaining from voting. Upon the motion of Director Lenz and second of Director Ransom, the Board voted to approve the February 20, 2020 special

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meeting minutes with Director Hatter abstaining from voting. Upon the motion of Director Lenz and second of Director Uhlott, the Board voted to approve the March 12, 2020 regular meeting minutes with Directors Ransom and Hatter abstaining from voting.

6. Financial Matters:

a. Financial Report/Payment of Claims:

Ms. Sedgeley reviewed the March 30, 2020 financial statements, the schedule of cash position, interim claims represented by Check Numbers 1217 through 1224, and one ACH payment to Aurora, which total \$19,676.16 and current claims represented by Check Numbers 1225 through 1232 and one ACH payment to Aurora Water which total \$25,293.43 all of which were included in the meeting packet for the boards review prior to the meeting. Director Matthews inquired what work Ms. Ivey did related to the audit. Ms. Ivey responded that she reviews the notes to the audit to confirm they are legally accurate and the auditor requires that legal counsel provide a legal representation letter advising of any known or potential claims against the District that may have financial impact. After review and discussion, upon the motion of Director Lenz and second of Director Uhlott, the Board voted to ratify the interim claims as presented in the amount of \$16,676.16, Director Hatter abstained from voting. After review and discussion, upon the motion of Director Ransom and second of Director Lenz, the Board voted to accept the March 30, 2020 financial statements and the schedule of cash position, Director Hatter abstained from voting. After review and discussion, upon the motion of Director Ransom and second of Director Lenz, the Board voted to approve the current claims as presented in the amount of \$25,293.43, Director Hatter abstained from voting.

b. 2019 Audit:

Ms. Sedgeley reviewed the 2019 audited financial statements with the Board. After review and discussion, upon the motion of Director Lenz and second of Director Ransom, the Board voted to accept the 2019 audited financial statements, have Director Uhlott sign the District representation letter, and directed Ms. Sedgeley to work with the auditors to finalize the same and file it with the Office of the State Auditor, Director Hatter abstained from voting.

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7. Detention Pond:

a. Status Update:

Dr. Earles reviewed the WWE Memoranda dated May 6, 2020 and May 7, 2020 which were enclosed in the meeting packet for the Boards review prior to the meeting. Director Matthews stated that the City allowed this Detention Pond to be approved and accepted without it being built to proper specifications and she would like to memorialize this in a Board resolution. Dr. Earles stated that memorialization is a good idea, but he has not heard anyone at the City admit any responsibility for this, normally it is the Engineer's responsibility to ensure compliance with standards and the City's approval of plans typically does not imply any City responsibility for the appropriateness or implementation of plans. Ms. Ivey stated that all of the issues with the pond were memorialized in a legal memorandum to the Board dated May 30, 2018. Dr. Earles reported that Xcel Energy has approved granting a license agreement and is working on the form of license agreement. Dr. Earles had hoped that we would have this document ready for Board approval at tonight's meeting, but that it is not yet available. Ms. Ivey reported that she will review the Xcel license agreement and circulate it to the Board as soon as it is available and the Board may need to hold a special meeting to approve the License Agreement with Xcel Energy.

b. Consider Award and Approval of a Contract for Pond Remediation Project:

Dr. Earles and Ms. Ivey presented a Contract for the Detention Pond Improvement project with EDGE Contracting, Inc. A copy of the Public Works Construction Improvement Contract was included in the meeting packet for the board's review prior to the meeting. Dr. Earles noted that the project had been publicly bid, that EDGE was the lowest responsible bidder, that the Board had previously designated EDGE as its preferred bidder, the Board had asked Dr. Earles to work with EDGE to develop a phased schedule and the Board had asked Ms. Ivey to negotiate a contract with EDGE. Those items having been completed, Dr. Earles recommended the Board consider approving the signing of the negotiated contract with EDGE Contracting, Inc. in the amount of \$864,935.25. Following discussion, upon motion by Director Matthews, second by Director Lenz, the Board voted to approve and award the contract contingent upon revisions to the commercial general liability coverage to meet the City of Aurora's insurance requirements or advisement

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from the City that the higher than required umbrella/excess liability coverage is satisfactory to the City and to authorize Director Uhlott to sign the Agreement on behalf of the District. Director Hatter abstained from voting. Mr. Laves was instructed to notify Edge Contracting of this decision but not to send the signed contract to Edge until the insurance issue has been resolved.

c. Consider Approval of
Master License
Agreement with City of
Aurora re Detention
Pond:

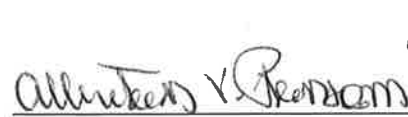
Dr. Earles and Ms. Ivey next presented a Master License Agreement with the City of Aurora for the Detention Pond in Filing 11 and noted the Master License Agreement had been included in the meeting packet for review by the Board prior to the meeting. She noted the language in the Master License Agreement that purported to allow the City to require the District to relocate the Detention Pond and purported that the City has ownership rights related to the Detention Pond property had not been revised due to City refusal to do so and is discussed in the May 6, 2020 and May 7, 2020 WWE Memoranda included in the Board packet for review prior to the meeting. Following discussion, upon motion by Director Matthews, second by Director Ransom, the Board voted to approve the Master License Agreement with the City of Aurora, Director Hatter abstained from voting. Upon motion by Director Matthews, second by Director Ransom, the Board voted to have Ms. Ivey briefly and politely summarize the District's concerns with the License Agreement and Detention Pond in a letter. Director Matthews made a motion to send the aforementioned letter to the City after the permit is approved. Director Hatter stated that in her past experience with the City it is best not to raise the ire of the City and it is better to fly under the radar when possible. Director Ransom noted that she agrees with Director Hatter and the District has been given some latitude and she does not want to raise concerns with the City. Director Lenz suggested that the letter focus on the concerns with the License Agreement and make a general statement regarding inheriting the problematic Detention Pond and looking forward to the support and assistance of the City in remedying this issue. Director Lenz seconded the motion, as revised per his suggestions, and the Board voted unanimously to send this letter with the signed License Agreement.

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8. District Manager Report: Mr. Laves discussed with the Board his District Manager's Report which was included in the meeting packet for the Boards review prior to the meeting, the following items were discussed in detail:
- a. COVID-19 Compliance: Mr. Laves reported that the District wrapped playgrounds, pavilions and basketball courts with Do Not Enter tape, hung multiple signs at pavilions but all taping and signs had subsequently been removed. He noted that the hoops on the Basketball courts had been removed to assure compliance with social distancing requirements and in accordance with public health orders, safer at home orders and CDC recommendations. He noted that the taping efforts have continued due to subsequent removal following each re-installation.
 - b. Green Park Bollard Repair: The bollard at Green Park has been replaced using spare parts, however the bollard needs to be painted during the summer. Upon motion by Director Matthews, second by Director Lenz, and upon vote, the Board approved the work recommended by Mr. Laves for a cost not to exceed \$200.
 - c. Irrigation System Startup & Red Park Sprinkler Booster Pump: The Red Park irrigation booster pump is in need of replacement and that Backflow Prevention Devices had been reinstalled in the three parks in the District as is done annually. In addition, the Backflow Prevention Devices (one at each park) have been tested by a certified technician and reports filed with Aurora Water as is required by CDPHE. After discussion and review and in accordance with Mr. Laves' recommendation, upon motion of Director Matthews, second of Director Ransom, the Board voted to approve a contract with Boulder Water Well Service and Supply, Inc. in the amount of \$2,073.06 to install a new irrigation booster pump as soon as possible. Director Hatter abstained from voting. Mr. Laves noted some concerns with the efficacy of irrigation. Directors Lenz and Hatter suggested asking Keesen Landscaping for a schedule of irrigation to assist with monitoring and verification.
 - d. Tree Anti-Bug Treatment Update: Spring anti-bug treatments have been applied to the lilacs and pine trees by SavATree which were completed at the Board's earlier direction.

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- e. Comcast Construction: Mr. Laves reported that he has been contacted by Comcast's contractor about installing new underground lines within Comcast's existing easement. It was noted that there will likely be a \$5,000 security deposit to cover damages and extra vendor coordination for same.
- f. Red Park Pavilion
Downspout Mr. Laves noted that the Red Park pavilion downspout next to the basketball courts has been repeatedly been damaged by bouncing basketballs. He recommends moving that downspout to the far northeastern corner away from the court and re-sloping to gutters in that direction. Upon the motion of Director Matthews, second by Director Ransom, the board approved this work for a cost not to exceed \$300.
- g. SDA Pool
Representatives: Mr. Laves noted that the Colorado Special District Pool (the District's current insurer) requires that a member representative and alternate representative be appointed by the Board. Upon motion by Director Matthews, second by Director Lenz, and upon vote, the Board determined to appoint Mr. Laves as the member representative and Ms. Ivey as the alternate representative.
8. Legal Matters: Ms. Ivey reported that she had no additional items to discuss.
9. Other Business: None.
10. Adjourn: There being no further business to come before the Board, upon motion of Director Matthews, second of Director Lenz and majority vote, the meeting was adjourned at 8:27 p.m.


Secretary of the Meeting