

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CIMARRON METROPOLITAN DISTRICT HELD July 24, 2019

A regular meeting of the Board of Directors (referred to hereafter as "Board") of the Cimarron Metropolitan District (referred to hereafter as "District") was convened on Wednesday, the 24th day of July, 2019 at 9:00 A.M., at the Candelas Parkview Swim & Fitness Club, 19865 W. 94th Avenue, Arvada, Colorado 80007. The meeting was open to the public

ATTENDANCE

Directors In Attendance Were:

Brian Daly
Creig Veldhuizen
Brian Mulvany
Mark Mitchell

Director Patrick Vaughn was absent and excused.

Also In Attendance Were:

Traci McDonald, Tori Minovich, and Denise Hogenes; CCMC

Dave Nocera; Vauxmont Metropolitan District

Megan Becher, Esq.; McGeady Becher P.C.

Ross Wieser; District Accountant (via speakerphone, for a portion of the meeting)

Brandon Collins; Independent District Engineering Services, LLC

Dale Coffman and Matt Ward; Environmental Designs Inc.

Jonathan Heroux and Marc Ragan; Piper Jaffray & Co.

Susan Opalinski; Fiscal Focus Partners, LLC

Cody Swanson; Jefferson County Elections Department (for a portion of the meeting)

Various Members of the Public.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Disclosure of Potential Conflicts of Interest:

The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

Attorney Becher requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. Attorney Becher noted that conflict disclosure statements for all of the Directors have been filed, and that no additional conflicts were disclosed at the meeting.

Quorum, Location of Meeting, Posting of Meeting Notices:

Attorney Becher noted that a quorum was present. The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

The Board confirmed that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated time, date and location, which is within the same county as the District and is within 20 miles of the District. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

It was noted that the District Manager posted notice of the meeting at three locations within the boundaries of the District, and that McGeady Becher P.C. posted notice of the meeting with the Jefferson County Clerk & Recorder, at least 72 hours prior to the meeting, all pursuant to statute.

District Secretary:

Following discussion, the Board acknowledged the resignation of Denise Hogenes as District Secretary, and appointed Traci McDonald as the new District Secretary.

RECORD OF PROCEEDINGS

Agenda:

There was distributed for the Board's review and approval a proposed agenda for the District's special meeting. Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Daly and, upon vote, unanimously carried, the agenda was approved, as amended, and excused the absence of Director Vaughn.

Legislation regarding posting of meeting notices and establishment of website

Attorney Becher reviewed with the Board new legislation relating to the posting of meeting notices noting that, subject to certain requirements, meeting notices may now be posted on a District website at least 24 hours prior to a board meeting. Discussion ensued.

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Mulvany, and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-07-01, First Amendment to Resolution No. 2018-11-01, Establishing Regular Meeting Dates, Time and Location, and Designating Locations for Posting of 72-Hour Notices.

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Mulvany, and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-07-02, Resolution of the Board of Directors of the Cimarron Metropolitan District Establishing District Website and Designating Location for Posting of 24-Hour Notices

RECORD OF PROCEEDINGS

CONSENT AGENDA

Upon motion duly made by Director Daly, seconded by Director Veldhuizen and, upon vote, unanimously carried, the Board approved or ratified approval of (as appropriate), the Consent Agenda items, as follows:

- A. Approve minutes of May 22, 2019 Regular Meeting.
- B. Ratify approval of IDES Verification of District Expenditures for April and May 2019.
- C. Ratify approval of Change Order No. 47 Wyoco Erosion Control – Filing 2-4 Erosion Control– March EC - \$10,785.22.00.
- D. Ratify approval of Change Order No. 48 Wyoco Erosion Control – Filing 2-4 Erosion Control– April EC - \$10,685.85.00.
- E. Ratify approval of Change Order No. 11 Brightview Landscape – Filing 4B and 4C Landscape Irrigation Controllers Deduct <-\$36,065.00.
- F. Ratify approval of Service Agreement for Pond Maintenance Services between the District and Aqua-Sierra, Inc.

PUBLIC COMMENT

Director Daly opened the meeting to Public Comment. The Board received comments from members of the public who were present. The following individuals provided public comments: Bill Clark, Stan Urban, Jennifer Austin, Bob Boscola, Ana Brun, Tressa Allington, Leigh Schopp, Amanda Reiter, Amy Sando and Anna Smith. The District Secretary then read aloud email correspondence from Wade Nofziger and Andy Bergrud. After comments were provided, Director Daly indicated the Board would produce a summary of responses to the various questions posed during public comment.

Presentation by Jefferson County Elections Department:

Cody Swanson of the Jefferson County Elections Department presented proposals to the Board to locate a ballot box at the Candelas Townview Swim and Fitness Club, and for a Voter Service and Polling Center at the Candelas Parkview Swim and Fitness Club.

Following discussion, the Board directed counsel to review the proposed agreements presented by Jefferson County. No other action was taken by the Board.

RECORD OF PROCEEDINGS

MAINTENANCE MATTERS

Landscape Report:

Representatives of Environmental Designs Inc. reported on the status of routine maintenance, and updated the Board on project status.

CAPITAL IMPROVEMENTS

Status of Candelas Project:

Mr. Collins reviewed the Project Status Report with the Board.

Change Order No. 49 Wyoco Erosion Control – Filing 2-4 Erosion Control– May EC - \$11,694.03:

The Board discussed Change Order No. 49 Wyoco Erosion Control – Filing 2-4 Erosion Control– June EC - \$11,694.03.

Following discussion, upon motion duly made by Director Daly, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved Change Order No. 49 Wyoco Erosion Control – Filing 2-4 Erosion Control– May EC - \$11,694.03.

Change Order No. 50 Wyoco Erosion Control – Filing 2-4 Erosion Control– June EC - \$8,970.45:

The Board discussed Change Order No. 50 Wyoco Erosion Control – Filing 2-4 Erosion Control– June EC - \$8,970.45.

Following discussion, upon motion duly made by Director Daly, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved Change Order No. 50 Wyoco Erosion Control – Filing 2-4 Erosion Control– June EC - \$8,970.45.

Task Order No. 1 – S&S Signage & Striping – Signage Repairs - \$690.00:

The Board discussed Task Order No. 1 – S&S Signage & Striping – Signage Repairs - \$690.00.

Following discussion, upon motion duly made by Director Daly, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved Task Order No. 1 – S&S Signage & Striping – Signage Repairs - \$690.00.

RECORD OF PROCEEDINGS

Acceptance of costs for construction of, and services related to, District improvements under the Verification of District Expenditures Report prepared by Independent District Engineering Services, LLC (“IDES”) for reimbursement to Arvada Residential Partners, LLC (“ARP”), and consider release and/or transfer of non-District improvements to ARP pursuant to the Facilities Funding and Acquisition Agreement between the District and ARP, based upon the recommendation of IDES:

Mr. Collins reviewed IDES’ report entitled “Verification of District Expenditures for June and July 2019,” which summarizes IDES’ review and verification of the expenditures of the District for June and July 2019 related to certain District construction contracts, some of which included expenditures not eligible for payment by the District and so were paid directly by ARP pursuant to agreements between ARP and the District (“Verification Report”). The Verification Report identified \$328,949.04 of District Eligible Expenses and \$3,624.98 of Non-Eligible Expenses.

Following discussion, upon motion duly made by Director Daly, seconded by Director Veldhuizen and, upon vote, unanimously carried, the Board determined to accept the District Eligible Expenses in the amount of \$328,949.04 which will be credited to the Series 2015E Note, subject to the maximum par amount thereof, and approved the release of all interest in, and/or transfer to ARP of, all improvements associated with such Non-Eligible Expenses in an amount of \$3,624.98, based upon the recommendation of IDES.

FINANCIAL MATTERS

Refinancing of Debt:

Mr. Heroux provided a status report on the Underwriting Request for Proposals, responses to same, and interviews with potential underwriters. The Board noted for the record that Director Veldhuizen was not involved in the process and will abstain from any votes relating to the selection of an underwriter.

Mr. Heroux and Mr. Ragan then reviewed with the Board the underwriting proposal received from D.A. Davidson & Co. and Wells Fargo Securities. Extensive discussion ensued. Mr. Heroux discussed the risks and benefits of both of the proposals, and recommended the engagement of Wells Fargo Securities.

Following discussion, upon motion duly made by Director Mulvany, seconded by Director Daly, and upon vote carried (with Director Veldhuizen abstaining), the Board determined to engage

RECORD OF PROCEEDINGS

Wells Fargo Securities as underwriter for purposes of restructuring the District's debt, subject to final review and approval of the engagement agreement by Director Mulvany and District Counsel.

Discussion ensued regarding the engagement of bond counsel and disclosure counsel for the transaction. Following lengthy discussion, upon motion duly made by Director Mulvany, seconded by Director Daly, and upon vote carried (with Director Veldhuizen abstaining), the Board determined to engage Sherman & Howard L.L.C. as disclosure counsel and Ballard Spahr LLP as bond counsel.

2018 Audit:

Ms. Opalinski reviewed the 2018 audit with the Board. Following review and discussion, upon motion duly made by Director Veldhuizen, seconded by Director Mulvany, and, upon vote, unanimously carried, the Board approved the 2018 audit and authorized the execution of the Representations Letter.

Claims:

Mr. Wieser reviewed with the Board the claims for the period ending May 31, 2019 (in the amount of \$804,475.01).

Following discussion, upon motion duly made by Director Mulvany, seconded by Director Daly and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending May 31, 2019 in the amount of \$804,475.01.

Unaudited Financial Statements For the Period Ending June 30, 2019:

Mr. Wieser reviewed with the Board the unaudited financial statements for the period ending June 30, 2019.

Following discussion, upon motion duly made by Director Daly, seconded by Director Veldhuizen and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending June 30, 2019.

Operating budget review through June 30, 2019:

Mr. Wieser reviewed with the Board the operating budget through June 30, 2019.

Review July 2019 Financial Forecast:

Mr. Wieser reviewed with the Board the July 2019 financial forecast.

RECORD OF PROCEEDINGS

OPERATIONAL MATTERS

Management Report:

Ms. McDonald presented the Management Report to the Board.

Lifestyle Report:

Ms. Minovich presented the Lifestyle Report to the Board.

Proposal from Aqua Sierra, Inc. to replace the aerators in the lower pond, at the costs of three (3) options for \$15,750.00, \$13,500.00 or \$7,350.00:

Following discussion, the Board directed staff to have the existing compressor diagnosed, and to proceed with repair or replacement (whichever is the lower cost), in an amount not to exceed \$8,000.

Proposal for Filing 4B & 4C for landscape maintenance after transition to Environmental Designs Inc. at a cost of \$21,322.60:

Following discussion, the Board deferred action on this item.

Proposal to Remove PVC Pipe in native area north of homes on north side of 94th Avenue between UMBER Way and Torrey Way from Environmental Designs Inc. at the cost of \$3,207.94:

Following discussion, the Board deferred action on this item.

Proposal from Security Central to Upgrade from 4G to LTE providing 3 options to choose from:

Following discussion, the Board directed staff to obtain additional proposals.

Proposal Intrusion Detection from LINX for both the Parkview Swim & Fitness Center and the Townview Swim & Fitness Center to perform Intrusion Monitoring at the cost of \$453.44 for initial set-up at Parkview Swim & Fitness Center, the cost of \$453.44 for initial set-up at Townview Swim & Fitness Center, and \$35 per month each for monitoring:

Following discussion, the directed staff to obtain more pricing information from other vendors.

Proposals to Repair/Replace Lighting by the Parkview Swim & Fitness Center at a cost of \$439.80 and by the Townview Swim & Fitness Center at a cost of \$600.00:

Following discussion, upon motion duly made by Director Mulvany, seconded by Director Daly and, upon vote,

RECORD OF PROCEEDINGS

unanimously carried, the Board approved the Proposals to Repair/Replace Lighting by the Parkview Swim & Fitness Center at a cost of \$439.80 and by the Townview Swim & Fitness Center at a cost of \$600.00, and authorized preparation of the required Change Orders.

Proposal to Install a Static IP Address at both the Parkview Swim & Fitness Center and the Townview Swim & Fitness Center at a cost of \$311.82 per month per center:

Following discussion, the Board directed staff to research other vendors for internet services.

CBIZ Valuation Group, LLC Report regarding adjustments to insurance coverage for the pools and fitness centers:

The Board deferred discussion.

Proposal from Long Building Technologies to Install Acid Neutralizer Kits and run condensate hoses to drain pipe from Long Building at the cost of \$1,443.00:

Following discussion, the Board deferred action until 2020.

Homeowner at 18009 W. 94th Drive request for an exemption from the requirement to submit a landscape design within 6 months of their closing:

Following discussion upon motion duly made by Director Daly, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved the homeowner request for an exemption from the requirement to submit a landscape design within 6 months of their closing, so long as the landscaping is completed within the 18-month time frame.

Homeowner at 18341 W. 93rd Place request to rock his patio columns to the base of the patio rather than to the top of the railings as the design guidelines dictate.

Following discussion upon motion duly made by Director Daly, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved the homeowner request to add masonry to his patio columns, but only up to the lower level.

RECORD OF PROCEEDINGS

LEGAL MATTERS

Special Counsel for Covenant Control/Collection Issues:

Following discussion, upon motion duly made by Director Mulvany, seconded by Director Daly, and, upon vote, unanimously carried, the Board authorized and directed Ms. McDonald to obtain proposals for special counsel services for covenant control/collection issues, and authorized Director Daly or Director Veldhuizen to execute the appropriate agreement(s).

OTHER BUSINESS

None.

ADJOURNMENT

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

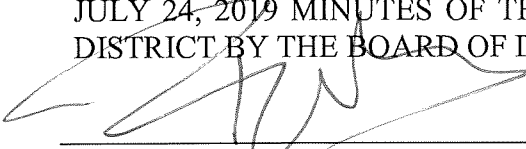
Respectfully submitted,

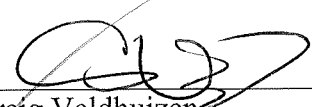
By



Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL
JULY 24, 2019 MINUTES OF THE CIMARRON METROPOLITAN
DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



Brian Daly

Craig Veldhuizen

Patrick Vaughn

Mark Mitchell

Brian Mulvany