

## RECORD OF PROCEEDINGS

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**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
CIMARRON METROPOLITAN DISTRICT  
HELD  
August 22, 2018**

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 22nd day of August, 2018 at 9:02 A.M., at the Candelas Parkview Swim & Fitness Club, 19865 W. 94<sup>th</sup> Ave., Arvada, Colorado, 80007. The meeting was open to the public.

**ATTENDANCE**

**Directors In Attendance Were:**

Brian Daly  
Creig Veldhuizen  
Mark Mitchell  
Brian Mulvany  
Patrick Vaughn

**Also In Attendance Were:**

Denise Hogenes; CCMC

Brooke Baughn; CCMC

Tori Minovich; CCMC

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

Brandon Collins; Independent District Engineering Services, LLC (for a portion of the meeting)

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

David Nocera; Vauxmont Metropolitan District

Matthew Ward; Environmental Designs Inc.

Dale Coffman; Environmental Designs Inc.

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Various Members of the Public (as listed on Attachment A)

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### **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 Clerk & Recorder, at least 72 hours prior to the meeting, all pursuant to statute.

#### **Agenda:**

There was distributed for the Board's review and approval a proposed agenda for the District's regular meeting. Following discussion, upon Motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the agenda was approved.

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### CONSENT AGENDA

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

- A. Approve minutes of July 25, 2018 regular Meeting.
- B. Ratify approval of IDES Verification of District Expenditures for July 2018.
- C. Ratify approval of IDES Recommendations for Facilities Acquisition/Reimbursement for July 2018.
- D. Ratify approval of Change Order No. 6 to the Service Agreement between the District and Earthworks & Infrastructure – Filing 4B and 4C Utilities, Paving, and Concrete CO #6 – Misc. CORs - \$42,284.08.
- E. Ratify approval of Change Order No. 4 to the Service Agreement between the District and Split Rail Fence – Filing 2 and 4A Fencing CO #4 – Filing 4B Fencing - \$90,219.50.
- F. Ratify approval of Change Order No. 38 to the Service Agreement between the District and Erosion Control– Filing 2-4 Erosion Control CO #38 – June Additional EC - \$23,047.75.

### PUBLIC COMMENT

Director Daly opened the meeting to Public Comment. The Board received comments from a member of the public who was present. Public comments were provided by the following individuals: Dale Meier. After comments were provided Director Daly indicated the Board would produce a summary of responses to the various questions posted during public comment.

### MAINTENANCE MATTERS

#### Landscape Report:

Environmental Designs Inc. presented the landscaping report for August 2018.

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

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### **Pool Report:**

Brooke Baughn provided a report provided from Carousel Pools regarding pool and lifeguard operations.

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### **CAPITAL IMPROVEMENTS**

### **Status of Candelas Project:**

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

### **Change Order No. 6 Alpine Civil Construction – Filing 3 Regional Trail - \$1,100:**

The Board discussed Change Order No. 6 Alpine Civil Construction – Filing 3 Regional Trail - \$1,100.

Following discussion, upon motion duly made by Director Mulvany, seconded by Director Vaughn and, upon vote unanimously carried, the Board approved Change Order No. 6 Alpine Civil Construction – Filing 3 Regional Trail - \$1,100.

### **Change Order No. 7 Premier Earthworks – Filing 4B and 4C Utilities, Paving and Concrete CO #7 – Pedestrian Path - \$265,362.06:**

The Board discussed Change Order No. 7 Premier Earthworks – Filing 4B and 4C Utilities, Paving and Concrete CO #7 – Pedestrian Path - \$265,362.06.

Following discussion, upon motion duly made by Director Mulvany, seconded by Director Vaughn and, upon vote unanimously carried, the Board approved Change Order No. 7 Premier Earthworks – Filing 4B and 4C Utilities, Paving and Concrete CO #7 – Pedestrian Path - \$265,362.06.

### **Change Order No. 39 Wyoco Erosion Control– Filing 2-4 Erosion Control CO #39 – July Additional EC - \$31,903:**

The Board discussed Change Order No. 39 Wyoco Erosion Control– Filing 2-4 Erosion Control CO #39 – July Additional EC - \$31,903.

Following discussion, upon motion duly made by Director Mulvany, seconded by Director Vaughn and, upon vote unanimously carried, the Board approved Change Order No. 39 Wyoco Erosion Control– Filing 2-4 Erosion Control CO #39 – July Additional EC - \$31,903.

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**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 August 2018,” which summarizes IDES’ review and verification of the expenditures of the District for August 2018 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 \$1,134,539.17 of District Eligible Expenses and \$2,956.00 of Non-Eligible Expenses.

Following discussion, upon motion duly made by Director Daly, seconded by Director Vaughn and, upon vote, unanimously carried, the Board determined to accept the District Eligible Expenses in the amount of \$1,134,539.17 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 \$2,956.00, based upon the recommendation of IDES.

**Acceptance of District-eligible expenditures incurred by ARP under the recommendation for Facilities Acquisition/Reimbursement Report prepared by IDES:**

The Board then reviewed IDES’ report, entitled “Recommendation for Facilities Acquisition/Reimbursement for August 2018,” which details the August 2018 expenditures of ARP which may be eligible for future reimbursement by the District pursuant to agreements between ARP and the District (“Acquisition/Reimbursement Report”). The August 2018 Acquisition/Reimbursement Report identified \$31,403.13 in expenditures of ARP eligible for reimbursement by the District pursuant to the Facilities Funding and Acquisition Agreement between the District and ARP.

Following discussion, upon motion duly made by Daly, seconded by Director Vaughn and, upon vote, unanimously carried, the Board determined to accept the costs identified in the August 2018 Acquisition/Reimbursement Report, which amount will be reimbursable under the Series 2015E Note.

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### FINANCIAL MATTERS

#### Claims:

Mr. Wieser reviewed with the Board the claims for the period ending August 22, 2018 totaling \$1,285,425.06

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending August 22, 2018 in the amount of \$1,285,425.06.

#### Unaudited Financial Statements For the Period June 30, 2018:

Mr. Wieser reviewed the unaudited financial statements for the period ending July 31, 2018 with the Board.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Mulvany and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending July 31, 2018.

### LEGAL MATTERS

#### Parks IGA with City of Arvada:

Following discussion the Board agreed to remove this item from future agendas.

#### Cellular Tower Lease Agreement:

Deferred.

#### New Covenant Violation Enforcement Policy:

Attorney Becher presented to the Board Resolution No. 2018-08-01 Adopting the Third Amendment to Policies and Procedures Governing the Enforce of the Protective Covenants and Easements of Candelas and the Landscape Covenants of Certain Lots in Candelas.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Veldhuizen and, upon vote unanimously carried, the Board adopted Resolution No. 2018-08-01, Resolution Adopting the Third Amendment to Policies and Procedures Governing the

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Enforce of the Protective Covenants and Easements of Candelas and the Landscape Covenants of Certain Lots in Candelas

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### **OPERATIONAL MATTERS**

#### **Management Report:**

*Management Report:* Mrs. Baughn provided a Management Report to the Board.

*Lifestyle Report:* Ms. Minovich provided a Lifestyle Report to the Board.

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#### **Approval of automatic payment related to the monthly Environmental Designs Inc. (EDI) contracted landscape maintenance invoice of \$24,827.08**

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Daly and, upon vote unanimously carried, the Board approved CCMC to pay the monthly Environmental Designs Inc. (EDI) contracted landscape maintenance invoice of \$24,827.08 by automatic payment.

#### **Website Upgrade for Homeowner Landscape and Irrigation Requests from Essentia for \$430.**

Ms. Baughn reviewed with the Board the proposal to upgrade the website with a landscape and irrigation requests function in the amount of \$430 from Essentia.

Following discussion, upon motion duly made by Director Vaughn, seconded by Director Veldhuizen and, upon vote unanimously carried, the Board requested that CCMC obtain an additional proposal from Essentia to add an additional section for Sustainability Committee, additional links for other District concerns and authorized the execution of a contract for such services in advance of the next board meeting, in an amount not to exceed \$1,500.

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**Proposal for Rock Bed on Corner of W.95<sup>th</sup> and 93<sup>rd</sup> Place between the District and EDI for total compensation of \$971.26:**

Deferred.

**Proposal for Fall Floral between the District and EDI for total compensation of \$973,087.03 and \$4,075.48:**

The Board determined this work was unnecessary.

**Service Agreement for Holiday Lighting between the District and SavATree, for an estimated total compensation of \$3,500.00:**

Following discussion, upon motion duly made by Director Veldhuizen, seconded by Director Vaughn and, upon vote unanimously carried, the Board approved the Service Agreement for Service Agreement for Holiday Lighting between the District and SavATree, for an estimated total compensation of \$3,500.00.

**Service Agreement for Pond Maintenance between the District and Aqua-Sierra Inc., for an annual compensation of \$1,340 for 2018 contracted year, \$3,789 for 2019 contracted year, immediate treatment of \$1,341.60 and bacterial management program of \$1,481.48:**

It was noted that the District was not proceeding with the proposals from Quality-Water Biosystems, Inc.

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Veldhuizen and, upon vote unanimously carried, the Board approved the Service Agreement for Pond Maintenance between the District and Aqua-Sierra Inc., for an annual compensation of \$1,340 for 2018 contracted year, \$3,789 for 2109 contracted year, immediate treatment of \$1,341.60 and bacterial management program of \$1,481.48.

**Proposal for Reserve Study between the District and Aspen Reserve Specialties for \$11,740, \$15,650 or \$19,820; from Association Reserves for \$3,096, \$3,440 or \$5,160, and from Criterium-Cona Engineers for \$4,795.**

Deferred until 2019.



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**Change Order No. 3 to the Service Agreement for Landscaping Services between the District and Environmental Designs, Inc., for 2018/2019 snow removal services price based upon time and materials.**

Following discussion, upon motion duly made by Director Daly, seconded by Director Veldhuizen and, upon vote unanimously carried, the Board approved Change Order No. 3 to the Service Agreement for Landscaping Services between the District and Environmental Designs, Inc., for 2018/2019 snow removal services price based upon time and materials.

**Service Agreement for Tree Removal Services between the District and Environmental Landworks Company Inc. for total compensation of \$3,348:**

Following discussion, upon motion duly made by Director Daly, seconded by Director Veldhuizen and, upon vote unanimously carried, the Board approved the Service Agreement for Tree Removal Services between the District and Environmental Landworks Company Inc. for total compensation of \$3,348.

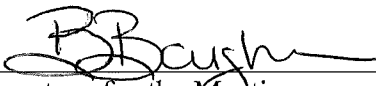
**OTHER BUSINESS**

There was no other business.

**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  
August 22, 2018 MINUTES OF THE CIMARRON  
METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS  
SIGNING BELOW:

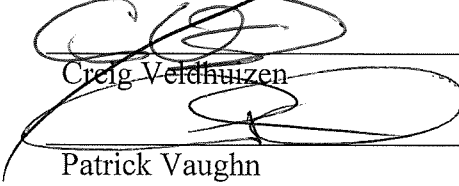
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Brian Daly

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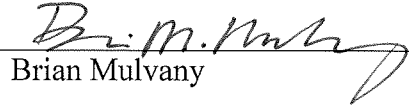
Craig Verduizen

Patrick Vaughn

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Mark Mitchell

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Brian Mulvany