
RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CONSERVATORY METROPOLITAN DISTRICT HELD MARCH 20, 2017

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 20th day of March, 2017, 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:

Laverne Palmer
Birgit Baldwin
Dan Staley
Ronald Degenhart

Following discussion, upon motion duly made by Director Baldwin, seconded by Director Staley and, upon vote, unanimously carried, the absence of Director Moczo was excused.

Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc. (“SDMS, Inc.”)
Jennifer Gruber Tanaka, Esq.; White Bear Ankele Tanaka & Waldron, P.C.
Dawn Schilling; Schilling & Company, Inc.
Georgia Harland; Simmons and Wheeler, P.C.
Marcella Caywood; Conservatory Homeowners’ Association (“HOA”)
Harland Baldwin and Joy Demots; Residents
Sarah Davis; Denver Parks and Recreation

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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 Directors Palmer, Staley, Baldwin, and Degenhart, along with each consultant, confirmed that they have no conflicts of interest in connection with any of the matters listed on the Agenda.

PLEDGE OF ALLEGIANCE

Pledge of Allegiance: Director Degenhart led the Board in reciting the Pledge of Allegiance.

ADMINISTRATIVE MATTERS

Agenda: Director Palmer reviewed with the Board the proposed Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director Baldwin, seconded by Director Staley and, upon vote, unanimously carried, the Agenda was approved, as amended.

CONSENT AGENDA

Consent Agenda: The Board considered the following actions:

- Approve Minutes of the January 23, 2017 Regular Meeting
- Acknowledge Homeowners' Association ("HOA") Meeting Reports/Updates
- Acknowledge Pond Nos. 5 and 6 Capture Volume Certification by Tamarack Consulting and issuance of same to the City of Aurora (the "City") on March 3, 2017
- Ratify approval of Independent Contractor Agreement (Fence Replacement Project—Phase IV) between the District and Standard Lumber & Hardware, Co. in the amount of \$72,164.00
- Ratify approval of Third Addendum to Independent Contractor Agreement (Fence Repair Services) between the District for Standard Lumber & Hardware Co. in the amount of \$230 for repairs due to auto accident
- Ratify approval of Independent Contractor Agreement (Vegetation Pruning Services—Fence Replacement Project, Phase IV) in the amount of \$1,769 between the District and Summit services, Inc.
- Ratify approval of Addendum No. 1 to Independent Contractor Agreement (Landscape Maintenance Services 2017) dated September 19, 2016 for Weathertrack controller installation in the amount of \$73,908.23

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- Ratify approval of Addendum No. 2 to Independent Contractor Agreement (Landscape Maintenance Services 2017) dated September 19, 2016 for accident clean-up in the amount of \$534.70
- Ratify approval of Addendum No. 3 to Independent Contractor Agreement (Landscape Maintenance Services 2017) dated September 19, 2016 for Winter watering in the amount of \$5,600
- Ratify approval of Addendum No. 4 to Independent Contractor Agreement (Landscape Maintenance Services 2017) dated September 19, 2016 for Pump Area #2 piping in the amount of \$1,524.59

Following discussion, upon motion duly made by Director Degenhart, seconded by Director Baldwin and, upon vote, unanimously carried, the Board approved the Consent Agenda with changes

FINANCIAL MATTERS

2016 Audit: Ms. Schilling reviewed with the Board an updated draft Audit of the District financial statements for the year ended December 31, 2016.

Following discussion, upon motion duly made by Director Baldwin, seconded by Director Degenhart and, upon vote, unanimously carried, the Board accepted the Audit of the District financial statements for the year ended December 31, 2016 and approved execution of the Representations Letter.

ADMINISTRATIVE MATTERS CONT'D

2017 SDA Conference: The Board entered into discussion regarding authorizing interested Board member(s) to attend the 2017 SDA Conference in Keystone on September 13, 14 and 15, 2017.

Following discussion, the Board determined to further discuss this matter at the May 15, 2017 Regular Meeting.

COMMUNITY COMMENTS

Community Comments: Ms. Caywood reported to the Board that a hearing was held on March 7, 2017 regarding the final award in the underdrain litigation. Director Baldwin opined that the HOA and its legal counsel did an excellent job representing the interests of the community. Director Palmer expressed her appreciation of the HOA efforts with the underdrain litigation. Director Degenhart inquired about design work for revised underdrain outflows. Ms. Caywood advised the Board she is working with HOA legal counsel to engage an engineering firm to prepare a preliminary design for revised outflows and additional engineering work associated with the underdrain system. Director Palmer noted she is working to schedule a

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meeting with the City to discuss Detention Ponds and the current underdrain outflow. Director Palmer requested Mr. Beckman communicate information about this meeting to Ms. Caywood and Ms. Demots once it is set up, should they wish to attend.

Ms. Demots reported to the Board that a house on Jebel is currently non-compliant with HOA regulatory standards for exterior paint color and that she has received complaints from community members. Ms. Demots advised the HOA has sent a letter addressing the issue to the homeowner.

Ms. Davis explained that she works for the City of Denver's Parks and Recreation Department as a Program Manager in the City Forester's Office. Ms. Davis then reviewed her credentials with the Board and explained that she is happy to extend pricing for trees to the District through the City of Denver's tree procurement program. Ms. Davis also noted for the record that she is the spouse of Mr. Staley.

FINANCIAL MATTERS

Claims: The Board reviewed the check register for the period ending February 10, 2017 including check numbers 2864 through 2874, totaling \$33,168.65.

Following review and discussion, upon motion duly made by Director Staley, seconded by Director Baldwin and, upon vote, unanimously carried, the Board approved the check register for the period ending February 10, 2017 including check numbers 2864 through 2874.

The Board then reviewed the check register for the period ending March 20, 2017 including check numbers 2875 through 2887, totaling \$57,230.91.

The Board noted that included in this check register is payment for disposal of scrap metal by Standard Fence, Co. for \$700, an amount that had been anticipated to be \$600. It was noted that additional pick up and drop off was needed than originally anticipated but that the price is still lower than what other contractors would have charged.

Following review and discussion, upon motion duly made by Director Staley, seconded by Director Baldwin and, upon vote, unanimously carried, the Board approved the check register for the period ending March 20, 2017 including check numbers 2875 through 2887.

Financial Statements: Ms. Harland reviewed with the Board the unaudited financial statements of the District for the period ending February 28, 2017.

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The Board noted that the revenues budgeted for “Landscape Architect” will likely be utilized for Detention Pond renovation.

Following discussion, upon motion duly made by Director Staley, seconded by Director Baldwin and, upon vote, unanimously carried, the Board accepted the unaudited financial statements of the District for the period ending February 28, 2017.

Cash Position Schedule along with the Projected Cash Balance through 2018: Ms. Harland reviewed the Cash Position Schedule as of March 20, 2017 and the current cash flow projection through March 20, 2017, with the Board.

LANDSCAPING MATTERS

2017 Tree Replacement Project: Director Staley addressed the Board regarding what he perceives as current problems with trees in the District and suggested possible solutions to these problems. Director Staley discussed the sentiment among Board Members to require a one-year warranty, and explained that, in his opinion, the length of time is insufficient for trees to show substantial decline, therefore rendering the warranties useless. Director Baldwin noted that it was the recommendation of the Landscaping Committee in 2016 to procure trees from a single source and to obtain a one-year warranty on all trees planted. She acknowledged that many trees die beyond the one-year expiration of their warranty but expressed her desire to retain one-year warranties for trees planted in the District as opposed to having no warranty. Director Palmer added that in early 2016 there was some confusion related to whether or not trees planted in the District carried one-year warranties as the Board was advised by Director Staley that there was such warranty. The Board later learned that the nursery would not warranty the trees. She then emphasized the importance of providing accurate and verifiable information about tree size, species, warranty, mortality and other District landscaping matters to members of the Board and the community. She also reminded the Board of the protocol agreement made by the Board for 2017 tree planting (RFP for warranty, single sourcing, tree size, vendor selection, and planting. Vendor will have full responsibility and accountable for tree selections and planting to protect warranty issues. Landscape Committee will provide species and planting map only. Director Baldwin reported that she requested prior to the meeting that Director Staley bring a map detailing locations and date of planting for trees in the District with a mortality overlay. The information map was not provided to the Board. Director Staley advised the Board that the current mortality rate for trees planted in the District is approximately 15% and noted that this percentage is inclusive of all causes of fatality, even from damage resultant from automobile accidents. Director Baldwin noted

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that Director Staley has been unreceptive to her suggestions for certain tree species despite the listing of these species on the City of Aurora's recommended trees list.

Ms. Davis reviewed weaknesses specific to two tree species with the Board. Linden trees, she noted, are susceptible to damage from reflective heat as well as from ice melt; Kentucky Coffee trees require approximately three-years to establish themselves after planting. Director Palmer polled the Directors for following the directions given by the Board in 2016 for 2017 tree planting and no one objected. Ms. Davis recommended the Board meet with the City Forester and Committee to establish a list of approved tree species. Director Palmer expressed her desire that trees be sufficiently sized (minimum of 2 inches caliper) at the time of planting to limit mortality and requested that no Kentucky Coffee trees be included in approved tree list due to the slow growth rate

Following discussion, the Board determined to follow the protocol agreement from 2016. It was further determined that an official map be kept recording the location of trees as well as the date of installation for each. The Board determined to revisit District protocol for sourcing and obtaining warranties for trees in 2018. Director Palmer requested the Landscape Committee provide all pertinent information about trees in the District to the Board well in advance of 2018 landscaping planning. Ms. Davis noted she will proceed with scheduling a time for the Landscaping Committee to meet with the City Forester.

Landscape Expenditure Budget Tracking Matrix: Mr. Beckman reviewed with the Board the Landscape Expenditure Budget Tracking Matrix.

BrightView Report: The Board reviewed a report from BrightView on the status of landscape maintenance efforts in the District. The Board noted the necessity of prompt removal of debris and requested Director Baldwin communicate the need for regular follow-up on this matter to BrightView.

Landscaping Committee Update: Director Baldwin reported to the Board that new irrigation controllers have been installed and that system programming and start up is scheduled for next week. Director Baldwin noted that she has requested that BrightView provide a map of water meters and irrigation zones to be able to determine the effectiveness of the new controllers

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Proposal for Annual Color Display from BrightView: The Board entered into discussion regarding a proposal for Annual Color Display from BrightView.

Following discussion, upon motion duly made by Director Baldwin, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the proposal for Annual Color Display from BrightView. Attorney Tanaka noted that BrightView needs to update the proposal to reflect the correct addendum information and reference.

OPERATIONS AND MAINTENANCE MATTERS

Manager's Report: Mr. Beckman reviewed the Manager's Report with the Board. A copy of the Report is attached hereto and incorporated herein by this reference.

Directors on Duty: The Board confirmed Directors on duty for the months of August and September 2017. Director Baldwin advised the Board she will be unavailable the last week in October 2017. Director Palmer volunteered to cover the on duty responsibility for that period.

Status of Fence Replacement Project: Director Palmer reviewed with the Board the Fence Committee's Report. A copy of the Report is attached hereto and incorporated herein by this reference.

Status of Detention Ponds Rehabilitation Project: Director Palmer reviewed updated the Board on the status of the Detention Ponds Rehabilitation Project noting that Pond No. 6 has been restored to the designed volume requirements and has been certified by Tamarack Consulting. Additional work will be necessary this Fall to install a trickle channel in Pond No. 6. Ms. Demots reported to the Board she observed a silver Dodge pickup truck in the tract of land owned by Xcel Energy, and that she has seen other vehicles and people in the area. Attorney Tanaka reiterated that the tract of land is owned by Xcel Energy and that any trespassers should be reported to the police. The Board discussed making a request to Xcel Energy to post the area as being private property.

Following discussion, the Board directed Attorney Tanaka to prepare a letter to Xcel Energy requesting signs be posted warning people of trespassing on private property.

Three-Year Holiday Lighting Proposal from Swingle Lawn, Tree and Landscape Care: The Board reviewed a three-year Holiday Lighting Proposal from Swingle Lawn, Tree and Landscape Care. Attorney Tanaka noted that, while the Board can approve a three-year contract, the funding

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will be appropriated on an annual basis due to TABOR constraints. The Board noted several revisions to colors and arrangements of Holiday Lighting presented in the proposal and requested Swingle Lawn, Tree and Landscape Care reflect the preferences of the Board in a final proposal.

Following discussion, upon motion duly made by Director Degenhart, seconded by Director Baldwin and, upon vote, unanimously carried, the Board approved the three-year Holiday Lighting Proposal from Swingle Lawn, Tree and Landscape Care, subject to the revisions noted.

LEGAL MATTERS

Public Arts Project: Ms. Demots requested clarification from the Board of the budget available for the Public Arts Project as well as the amount of the design fee paid per submittal. Director Baldwin recommended the District pay (from the general budget) the fee due to artists who submit proposals. Attorney Tanaka explained that design fees associated with proposals submitted to the Board are approximately 1% of the Project total. She noted that if three artists submit proposals, the fees would total roughly \$2,100. Director Palmer discussed the geographic limitations of the area slated for installation of the art and noted the final Call for Entry should stress the requirement that proposed art reflect the regional character of the community. Ms. Demots suggested the Board's requirement of three references per artist may be overly restrictive. The Board discussed the requirement for references and determined to retain the requirement for three references. It was noted the deadline for submittals should be changed to reflect the Board's September meeting date. The Board requested that Attorney Tanaka make changes to noted timeline and advise the City accordingly.

Call for Entry: The Board reviewed a draft Call for Entry for the Public Arts Project. It was noted the City did not provide Attorney Tanaka with opportunity to review the draft Call for Entry and the Board determined to make its approval subject to her comments on the draft can be incorporated. Director Degenhart discussed the Call for Entry abstract and explained some of the draft language seems inconsistent with the existing architecture. Attorney Tanaka advised that in the final version, the language will keep design options open to literal and interpretive art.

BOARD MEMBER INPUT

Board Member Input: Director Degenhart inquired whether the Board Member on duty should attend HOA meetings. The Board confirmed that the Board Member on duty should attend HOA meetings on behalf of the District.

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Director Staley noted the City Planning Commission will soon begin issuing permits for hydraulic fracturing in the area. He encouraged concerned homeowners to attend the City Planning Commission meeting. Director Staley will provide information regarding City Planning Commission meetings to the HOA for dissemination to the community.

Director Palmer requested Directors on duty provide a brief update on District matters during HOA meetings.

OTHER BUSINESS

Community Outreach:

Community Update: The Board determined to add the following items to the next Community Update:

- 2016 Audit
 - Irrigation Controllers
 - Unauthorized use of Xcel tract
 - Annual color
 - Irrigation
-

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ADJOURNMENT

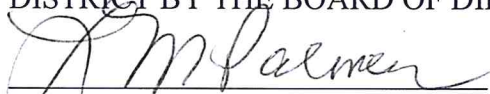
There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____


Secretary for the Meeting

THESE MINUTES WERE APPROVED AS THE OFFICIAL MARCH 20, 2017 MINUTES OF THE CONSERVATORY METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Laverne Palmer


Dan Staley


Pedro Moczó, Jr.


Birgit Baldwin


Ronald Degenhart

DISTRICT MANAGER'S REPORT

To: Board of Directors, Conservatory Metropolitan District
From: AJ Beckman, District Manager
Date: March 14, 2017

Action Items of Interest or Recently Completed:

No. 240, Off-Site Detention Ponds: The Detention Pond Committee will provide an update at the meeting. To date, the pond renovation efforts have required more design and oversight than expected. The Committee has determined not to proceed with the installation of a trickle channel in Pond No. 6 until the Fall of 2017 in order to proceed with the work under more favorable conditions. At the January Board Meeting the budget to complete the detention pond renovations was reviewed. The Board determined to hold off on any further landscaping design work until greater certainty for pond renovation costs is known. Tamarack Consulting provided a letter certifying the capture volume for Pond No. 6 on February 27, 2017. The letter was reviewed by the Detention Pond Committee and sent to the Board for review and direction. On March 7, 2017 the letter was emailed to the City of Aurora.

No. 309, Update to Master License Agreement: The Board approved the Agreement at the July 18, 2016 Board Meeting. Attorney Tanaka has inquired with the City regarding the status and what the next steps will be. We are awaiting a response from the City.

No. 392, Landscaping Redesign: At the January 23rd Board Meeting the Board determined to hold off on additional design work until greater certainty of the costs relative to the detention pond renovation efforts can be achieved. On February 3, 2017 I contacted Ms. Booth and let her know that the redesign project had been put on hold until further notice.

No. 344, Lennar Punch List Items: At the January 23, 2017 Board meeting the metal fencing in Tracts I, J, and K were discussed. The Board was in agreement that fencing that has been scratched and spot-painted will not be acceptable due to warranty concerns. The Board directed Mr. Beckman to add this concern to the list of punch list items.

No. 356, Irrigation Control System: Bright View is currently installing the controllers. A change order (Addendum No. 4 to the 2017 Landscaping Maintenance Contract) in the amount of \$1,524.29 to install a section of three-inch ductile iron pipe was approved by the Board in order to remove a flow restriction and optimize the system function in Area No. 2. This Addendum is on the Consent Agenda for approval at the March 20, 2017 Board Meeting.

No. 411, Auto Accident at Conservatory and Eastman: On August 6, 2016, an auto accident damaged District landscaping and fencing and possibly other property owned by the adjacent homeowner. The driver's information is known and an insurance claim is in-process. Standard Lumber & Hardware Co. and Summit Services have been engaged to perform the repairs. A quote for masonry was received on September 8, 2016 and was sent to Progressive Insurance, who is handling the claim. The fence replacement work is complete and the shrubs have been planted. Summit Services confirmed that the selected Hot Wings Maple tree will be installed in the spring of 2017. Payment for this claim has not yet been received. At the January 23, 2017 Board Meeting I reported that

the claim is in subrogation. I have since been in contact with Progressive and have requested payment for work performed. I last followed up on March 13, 2017. No payment has been received as of the date of this report.

No. 424, Public Art Selection and Installation: On October 10, 2016, Attorney Tanaka and I met with Roberta Bloom, the Public Art Coordinator with the City of Aurora to discuss the selection and construction process. Following the meeting, Director Baldwin and Joy Demots, with the Conservatory HOA, were appointed to the Selection Committee, as well as Jane McGrath (appointed Public Arts Commissioner) and Jessica King. On January 4, 2017, the full Committee met to discuss the selection and procurement process. The idea of a seating and / or gathering area was popular among all members. Attorney Tanaka provided a detailed update via email to the Board following the meeting. The Committee decided that an “open call” process would be best in order to get the Call for Entry out to as many interested artists as possible, however the call will be limited to regional invitation in order to limit design and travel fees for artists selected to make a design submittal. The design fee is typically 1% of the art fee (apx. \$700 per artist), and the District would pay for travel expenses. Ms. Bloom will draft the call for Committee review prior to distribution. The Committee will meet on June 29, 2017 to review applications and select the final three artists. Proposals will be due by August or September 2017. The Art is expected to be installed by late Spring or early Summer of 2018. Director Baldwin and Ms. Demots will be doing public art site visits in Aurora to decide which elements they like. At the January 23, 2017 Board Meeting it was determined that Mr. Beckman would no longer need to serve on the Committee. Director Moczo volunteered to be an alternate and fill in as necessary.

Schedule for Board Member on Duty:

March 2017	April 2017	May 2017	June 2017	July 2017	August 2017	Sept 2017
Ron	Dan	Birgit	Laverne	Pete	Ron	Dan
October 2017	Nov. 2017	Dec. 2017	Jan. 2018	Feb. 2018	March 2018	April 2018
Birgit	Laverne	Pete	Ron	Dan	Birgit	Laverne