

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF

ST. VRAIN LAKES METROPOLITAN DISTRICT NO. 1
ST. VRAIN LAKES METROPOLITAN DISTRICT NO. 2
ST. VRAIN LAKES METROPOLITAN DISTRICT NO. 3
ST. VRAIN LAKES METROPOLITAN DISTRICT NO. 4

HELD
February 8, 2017

The Combined Regular Meeting of the Boards of Directors (collectively, "Board") of St. Vrain Lakes Metropolitan District No. 1, St. Vrain Lakes Metropolitan District No. 2, St. Vrain Lakes Metropolitan District No. 3, and St. Vrain Lakes Metropolitan District No. 4 (collectively, "Districts") was held at Tallyn's Reach Clubhouse, 24900 E. Park Crescent Dr., Aurora, Colorado at 5:30 p.m. on Wednesday, February 8, 2017. Notice of the Combined Meeting was duly posted.

ATTENDANCE: Directors in Attendance:
Marc Savela, President
Neil Simpson, Assistant Secretary
Ashley Tarufelli, Secretary/Treasurer

Also in Attendance:
Stan Myers, Tom Flock, Brendan Campbell, Jason Woolard, and Lindsey Dowswell; Pinnacle Consulting Group, Inc.
Guy Ford; Independent District Engineering Services (IDES) (via phone)
Kimberly Johanns, CPA; Simmons & Wheeler, P.C.
Kristen D. Bear, Esq.; White Bear Ankele Tanaka & Waldron, P.C.

CALL TO ORDER The Combined Regular Meeting of the Board of Directors of St. Vrain Lakes Metropolitan Districts Nos. 1, 2, 3, and 4 was called to order at 5:30 p.m. by Chairman Savela, noting that a quorum was present for each of the Boards. Each of the Directors confirmed their qualifications to serve on the Boards. Chairman Savela also confirmed that prior to the meeting each of the Directors had been notified of the meeting.

COMBINED MEETINGS The Board of Directors of the Districts determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts at such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be action of all of the Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

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CONFLICTS OF
INTEREST
DISCLOSURE

Ms. Bear noted that notices of potential conflicts of interest for all Board Members were filed with the Colorado Secretary of State's Office, disclosing that potential conflicts of interest may exist, as all Board Members are employees of Brookfield Residential, which is associated with the primary landowner and developer of land within the Districts. Ms. Bear advised the Board that pursuant to Colorado law, certain disclosures by the Board Members might be required prior to taking official action at a meeting. The Board reviewed the agenda for the meeting, following which each Board Member present confirmed the contents of the written disclosures 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. Additionally, the Board determined that the participation of the Directors present was necessary to obtain a quorum or otherwise enable the Board to act.

PUBLIC
COMMENT

There were no members of the public present.

CONSENT
AGENDA

The Board reviewed the following items on the consent agenda:

- A. Approval of agenda
- B. Approval of November 9, 2016 special meeting minutes; ratify actions taken at the November 9, 2016 special meeting
- C. Approval of Resolution Designating 24-Hour Posting Locations
- D. Ratification and approval of payables
- E. Location for remaining 2017 meetings

With regard to Item E., Mr. Flock commented that he is working with Carbon Valley Recreation Center to schedule space for the remainder of the Board's 2017 meetings. Director Savela commented that the Districts would not have a problem with paying the Recreation Center's standard meeting room fees. Director Taruffelli requested that the Board meetings start earlier to account for the additional travel time that Board members would need to reach the Recreation Center.

Following brief discussion and review of the remaining consent agenda items, upon motion duly made by Director Savela, seconded by Director Simpson and, upon unanimous vote, it was

RESOLVED to approve the items on the consent agenda, as presented.

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LEGAL MATTERS Director Vacancies: Ms. Bear commented that there are ongoing discussions regarding about appointments to the vacant Board seats and timing associated with the same. Director Savela commented that Dave Carro and Shannon Robbins may be appointed to the Board.

MANAGEMENT MATTERS Manager's Report: Mr. Myers reviewed his report with the Board and answered questions.

1. Builder/Homeowner Metro District Orientation: Mr. Myers informed the Board that Mr. Flock will be leading a meeting later in February to introduce sales staff from the three builders to the concept and functions of metropolitan districts.
2. Lakes Management Interim Pumping: Mr. Myers reported that St. Vrain Creek water was pumped into the lakes during the free river condition. The lake capacity was maximized, cancelling the water debt owed per the water decree.
3. Website Development and Refinement: Mr. Myers reported that Pinnacle continues to add information to the website, and will maintain exclusive access for editing purposes.
4. Operation Fee Addendum: Mr. Myers presented a Pinnacle addendum related to providing quarterly operation fee billings.

Addendum to Service Agreement with Pinnacle Consulting Group, Inc.: Mr. Campbell explained that the Addendum allows for Pinnacle to set up systems to collect and track quarterly operations fees, including online payment capability and a separate checking account. Mr. Campbell commented that Pinnacle will periodically transfer the collected funds to the Districts' primary checking account and send reconciliation information to Simmons & Wheeler.

Following further discussion, upon motion duly made by Director Tarufelli, seconded by Director Savela and, upon unanimous vote, it was

RESOLVED to approve the Addendum to the Service Agreement with Pinnacle Consulting Group, Inc. in an amount not to exceed \$12,700, as presented.

Service Agreement with SOLitude Lake Management: Mr Myers presented the 2017 Service Agreement for lake management and fisheries services to the Board for ratification. Following further discussion, upon motion duly made by Director Tarufelli, seconded by Director Simpson and, upon

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unanimous vote, it was

RESOLVED to ratify the Service Agreement with SOLitude Lake Management, as presented.

Service Agreement with United Power: Mr Myers presented the Service Agreement for installation of lake management inlet pumps to the Board for ratification. Following further discussion, upon motion duly made by Director Taruffelli, seconded by Director Simpson and, upon unanimous vote, it was

RESOLVED to ratify the Service Agreement with United Power in an amount not to exceed \$56,000, as presented.

Consideration of Maintenance Service Agreements: Mr. Myers and Mr. Woolard presented the following Service Agreements to the Board, and answered questions.

1. Colorado Vista Landscape Design for individual landscape review
2. BrightView for landscape maintenance, in an amount not to exceed \$200,000
3. Bright View for snow removal services, in an amount not to exceed \$30,000
4. Loveland Barricade for regulatory signage maintenance and repair, in an amount not to exceed \$2,500
5. e3 Signs for monument signage maintenance and repair

Following discussion, upon motion duly made by Director Savela, seconded by Director Taruffelli and, upon unanimous vote, it was

RESOLVED to approve the Service Agreements listed above, as presented.

Service Agreement with Complete Energy, a.k.a. A&W Water Services: Mr. Myers reported that there is a draft agreement with A&W Water Services for the lake pumping during the free river condition, but it has not been finalized due to an insurance issue. Ms. Bear explained that A&W is requesting a liability cap of \$500,000 on their insurance, which legal counsel does not recommend.

Following further discussion, upon motion duly made by Director Taruffelli, seconded by Director Simpson and, upon unanimous vote, it was

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RESOLVED to authorize Director Savela to execute a Service Agreement with A&W Water Services if they do not impose a liability cap, and to direct staff to investigate other contractor options if A&W decides to require a liability cap, and report back on those options to the Board.

Review of Final Acceptance and Certification Procedures: Mr. Myers and Mr. Woolard noted that, although in their experience a third-party engineer is often employed to certify construction for acceptance purposes, legal counsel is comfortable with IDES certifying the construction work if the Board is also comfortable with that arrangement. Director Savela confirmed that the Board is comfortable with IDES certifying construction for District acceptance.

Task Order with IDES: Mr. Woolard commented that he will work with IDES to develop a Task Order for engineering services related to District acceptance of developer-constructed improvements.

Upon motion duly made by Director Tarufelli, seconded by Director Savela and, upon unanimous vote, it was

RESOLVED to approve a Task Order with IDES for engineering services as described above, in an amount to be determined.

CONSTRUCTION MATTERS

Construction Status: Mr. Ford reviewed the Construction Report with the Board and answered questions. Mr. Ford presented the bid results for construction of the inlet structure to the Board, and requested direction on next steps. The Board directed IDES to move forward with value engineering for the two lowest bids and report back to the Board.

Ratification of Change Orders and Task Orders: Mr. Ford reviewed and recommended ratification of the previously-approved HEI Change Orders #44 and 45; Split Rail Fence Company CO #4; and BrightView Landscape COs #9 and 10, totaling -\$130,126.81 and listed in the Construction Report. Following review and discussion, upon motion duly made by Director Simpson, seconded by Director Tarufelli, and upon unanimous vote, it was

RESOLVED to ratify approval of the Change Orders listed in the Construction Report as noted above, as presented.

OTHER MATTERS

Directors' Comments: Director Savela noted that the Districts intend to move forward with bond issuance this year.

Mr. Myers asked if there is a pending inclusion issue that needs to be

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addressed. Ms. Bear responded that the boundaries of District No. 1 and District No. 2 need to be adjusted, which will likely take place at the May meeting.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Director Tarufelli, seconded by Director Savela, and upon unanimous vote, the meeting was adjourned at 6:23 p.m.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

Respectfully submitted,



Stan Myers, Recording Secretary for the Meeting

Tom Flock