

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
SPRING MESA METROPOLITAN DISTRICT (THE "DISTRICT")
HELD
NOVEMBER 9, 2023

A regular meeting of the Board of Directors of the Spring Mesa Metropolitan District (referred to hereafter as the "Board") was convened on Thursday, November 9, 2023, at 6:00 p.m. at West Woods Community Station, 6644 Kendrick Drive, Arvada, Colorado 80007 and via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Jo Gentry, President
Wayne Harris, Secretary
Lawrence Seidl, Treasurer
Georgia Magnera, Assistant Secretary

Also, In Attendance Were:

Lisa Johnson, Alex Clem, Rachel Alles and Yelena Primachenko;
CliftonLarsonAllen LLP ("CLA")
Nicole Peykov, Esq.; Spencer Fane LLP
Ron and Kathleen, Riley and Traci Moore, Michele Bailon, Erin Morris, Caren and Jim Holmes, Dave Coleman, Cindy and Roman Baginski, Jerry Gentry, and other members of the public

ADMINISTRATIVE MATTERS

Call to Order and Agenda: Ms. Johnson called the meeting to order at 6:00 p.m. Following review, upon a motion duly made by Director Gentry, seconded by Director Harris and, upon vote, unanimously carried, the Board approved the agenda, as presented.

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested 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. It was noted by Attorney Peykov that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors, and no additional conflicts were disclosed at the meeting.

Quorum, Location of Meeting and Posting of Meeting Notices: A quorum of the Board, the location of the meeting and posting of the meeting notice was confirmed.

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Public comment: There were no public comments.

Board Vacancy and Options for Soliciting Interest from Qualified Candidates: Ms. Johnson discussed the process of appointing a director to the Board with the Board. Director Gentry noted that the Board vacancy will be displayed in the next quarterly HOA newsletter to solicit community interest. Discussion ensued.

It was noted that Director Gentry will draft an excerpt for the newsletter and send it to Ms. Johnson for review. Ms. Johnson will then send it on to the rest of the Board for additional input.

Resolution No. 2023-11-01 Regarding 2024 Annual Administrative Matters: Ms. Johnson reviewed the Resolution with the Board. The Board determined to hold regular meetings in 2024 on April 11th, June 13th, August 15th, and November 14th at 6:00 p.m. at West Wood Police Station and via Microsoft Teams. Upon a motion duly made by Director Gentry, seconded by Director Magnera and, upon vote, unanimously carried, the Board adopted Resolution No. 2023-11-01 Regarding 2024 Annual Administrative Matters, subject to revisions discussed.

CONSENT AGENDA

Minutes of the August 17, 2023 Special Meeting:

2023 Service Agreement for Pond Pump and VFD Installation Services Between the District and Ramey Environment Compliance, Inc.:

2023 Service Agreement for Jet Services Between the District and Ramey Environmental Compliance, Inc.:

Following review, upon a motion duly made by Director Gentry, seconded by Director Seidl and, upon vote, unanimously carried, the Board approved and/or ratified approval of the Consent Agenda items, as presented.

DIRECTOR MATTERS

Landscape and Pond Maintenance Services for 2023:

Bid Summary and Proposal for 2024 Landscape Maintenance Services: Director Gentry provided an update to the Board, noting that she does not recommend renewing the contract with NuStyle Landscape & Development LLC. She reviewed the difference of each proposal received for 2024. Director Seidl commented that he does not believe the bids are comparing exact same services and suggested the Board rebid the work. Discussion ensued. Members of the public provided comments on the proposals.

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Following discussion, upon a motion duly made by Director Gentry, seconded by Director Harris and, upon vote, majority carried, the Board approved the proposal from Environmental Design, Inc. for 2024 landscape maintenance and snow removal services and directed legal counsel to prepare an agreement. Director Seidle opposed

Cutting Edge Landscaping, Inc. Proposal for 2024 Tree Maintenance Services: The Board reviewed the proposal and discussion ensued. Following discussion, upon a motion duly made by Director Gentry, seconded by Director Magnera and, upon vote, majority carried, the Board approved the Cutting Edge Landscaping, Inc. proposal for 2024. Director Seidl abstained.

Fire Mitigation for Native Open Space/Evacuation Plan: Director Magnera reviewed the plan with the Board, noting that the fire and police departments and the HOA have reviewed and approved the plan. Director Magnera will finalize the plan and coordinate funding for printing and laminating with the City of Arvada. Laminated cards will be put in “go bags” to be distributed to the members of the community. Director Magnera will coordinate with the HOA to distribute the plan as a joint communication from both the District and the HOA. The Board directed CLA to publish the plan on the District’s website once finalized.

Irrigation System Replacement and Funding:

Proposal from HydroSystems for Irrigation System Evaluation Services: Ms. Johnson and Director Gentry reviewed the proposal with the Board. Discussion ensued. Following discussion, upon a motion duly made by Director Seidl, seconded by Director Gentry and, upon vote, unanimously carried, the Board rejected the proposal from HydroSystems for Irrigation System Evaluation Services. Director Gentry will research more companies that can provide these services and provide an update at the next meeting.

2023 Policy to Install Trees on District Property: Director Gentry reviewed the policy with the Board. Upon a motion duly made by Director Gentry, seconded by Director Magnera and, upon vote, unanimously carried, the Board approved the 2023 Policy for Proposed to Install Trees on District Property, as presented and directed CLA to publish the policy on the District’s website once finalized.

2023 Policy for Proposed Removal of Trees on District Property: Director Magnera reviewed the policy with the Board. Discussion ensued. Following discussion, upon a motion duly made by Director Magnera, seconded by Director Seidl and, upon vote, unanimously carried, the Board approved the

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2023 Policy for Proposed Removal of Trees on District Property, as amended to include a provision stating that the homeowner will poll the neighbors before any trees are removed with a deadline outlined for feedback. It was noted that Director Magnera will update the policy and send to Ms. Johnson to be posted on the District's website.

Current Process to Prepare and Transmit Communication to Residents Regarding Violations of District Policies: Ms. Johnson reviewed the current violation process and the letter from the homeowner with the Board. The Board took public comment.

Following discussion, upon a motion duly made by Director Magnera, seconded by Director Seidl and, upon vote, unanimously carried, the Board approved amending the policy to reflect that courtesy letters be sent to homeowners in these cases before the letters are sent from the attorney. Ms. Johnson will coordinate this change to the policy with Attorney Peykov.

FINANCIAL MATTERS

September 30, 2023 Unaudited Financial Statements: Ms. Primachenko reviewed the Financial Statements with the Board. Discussion ensued regarding bond payments. Following review and discussion, upon a motion duly made by Director Gentry, seconded by Director Harris and, upon vote, unanimously carried, the Board accepted the September 30, 2023 Unaudited Financial Statements, as presented.

Payment of Claims: Ms. Primachenko reviewed the payment of claims with the Board. Following review, upon a motion duly made by Director Gentry, seconded by Director Magnera and, upon vote, unanimously carried, the Board approved/ratified approval of payment of claims, as presented.

Public Hearing on Amendment to 2023 Budget: Ms. Johnson opened the public hearing to consider an amendment to the 2023 Budget at 7:58 p.m.

It was noted that Notice stating that the Board would consider amending the 2023 budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing.

No public comments were received. Ms. Primachenko noted no amendment to the 2023 Budget is needed. Ms. Johnson closed the public hearing at 7:59 p.m.

Public Hearing on Proposed 2024 Budget; Resolution No. 2023-11-02 to Adopt the 2024 Budget, Appropriate Sums of Money, and Authorize the Certification of the Tax Levy: Ms. Johnson opened the public hearing to consider the proposed 2024 Budget at 8:00 p.m.

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It was noted that Notice stating that the Board would consider adoption of the 2024 budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing.

Ms. Primachenko reviewed the proposed 2024 Budget with the Board. Discussion ensued and the public hearing was closed at 8:11 p.m.

Upon motion duly made by Director Gentry, seconded by Director Magnera and, upon vote, unanimously carried, the Board approved the 2024 Budget, and adopted Resolution No. 2023-11-02 to Adopt the 2024 Budget, Appropriate Sums of Money and Authorize the Certification of the Tax Levy, subject to revisions discussed and receipt of final assessed valuation from Jefferson County.

Engagement Letter with Wipfli, LLP to Prepare the 2023 Audit: Ms. Johnson reviewed the engagement letter with the Board. Following review, upon a motion duly made by Director Gentry, seconded by Director Harris and, upon vote, unanimously carried, the Board approved the engagement letter with Wipfli, LLP to prepare the 2023 Audit, as presented.

LEGAL MATTERS

None.

MANAGER MATTERS

CliftonLarsonAllen LLP Master Services Agreement and Statement(s) of Work for 2024: Ms. Johnson reviewed the agreement and statement(s) of work with the Board. Following review, upon a motion duly made by Director Gentry, seconded by Director Magnera and, upon vote, unanimously carried, the Board approved the CliftonLarsonAllen LLP Master Services Agreement and Statement(s) of Work for 2024, as presented.

2024 Insurance Renewal: Ms. Johnson reviewed the insurance renewal with the Board, noting the recommendation of increasing crime coverage. Discussion ensued. Following discussion, upon a motion duly made by Director Magnera, seconded by Director Gentry and, upon vote, unanimously carried, the Board approved the 2024 insurance renewal and authorized the increase in the crime coverage limit to \$250,000.00. The Board directed staff to work with Director Gentry and Director Harris to update the property schedule.

Worker's Compensation Insurance for 2024: Following discussion, upon a motion duly made by Director Magnera, seconded by Director Gentry and, upon vote, unanimously carried, the Board approved Worker's Compensation Insurance for 2024.

OTHER BUSINESS

None.

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ADJOURNMENT

There being no further business to come before the Board at this time, upon a motion duly made by Director Gentry, seconded by Director Harris and, upon vote, unanimously carried, the Board adjourned the meeting at 8:23 p.m.

Respectfully submitted,

DocuSigned by:

Wayne Harris

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Secretary for the Meeting