

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

HUNTING HILL METROPOLITAN DISTRICT

Held: Monday, December 9, 2019 at 1:00 p.m. at Cliff's Room, Southridge Rec Center, 4800 McArthur Ranch Road, Highlands Ranch, Colorado.

Attendance:

A special meeting of the Board of Directors of the Hunting Hill Metropolitan District was scheduled in compliance with the laws of the State of Colorado, with the following directors in attendance:

Kathryn Neely, President
David Hoffman, Secretary
Al Sullivan, Treasurer
Chris Nelson, Assistant Secretary
Alec Garbini, Assistant Secretary

Also present were: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C.; Kevin Collins and Mathew Vigil, CliftonLarsonAllen, LLP; Ron Harris, Advance HOA Management, Inc., Brian Maise, Burg Simpson Eldredge Hersh & Jardein, P.C.; and the following District residents: Kevin Barré, Dorothy Sullivan, W. Kay Johnson, Pat Havener, Ronald Privratsky, Doug Robertson, Curtis Burton, Janet Gibley, Bruce Campbell, Corrine Hendricks, Tom Hendricks, Judy Kraft, Sheryl Stone, Tom Stone, Rose Ann Hazzard, Jim Rankin, Nancy Ditman, James Bisetti and Chris Beery.

Call to Order/ Declaration of Quorum:

Director Neely, noting the presence of a quorum, called to order the special meeting of the Board of Directors of Hunting Hill Metropolitan District at 1:00 p.m.

Directors Matters/Disclosure Matters:

Ms. Ivey advised the Board of Directors that pursuant to Colorado law, certain disclosures may be required prior to taking official action at the meeting. The Board of Directors reviewed the agenda for the meeting, following which each director confirmed the contents of written disclosures previously made, if any, stating the fact and summary nature of any matters,

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as required by Colorado law, to permit official action to be taken at the meeting. Additionally, the Board of Directors determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

Director Sullivan reported that he had disclosed the following conflicts of interest: 1) he is an owner of property in the District boundaries, and 2) he has no financial interest in connection with official action of the district.

Director Hoffman reported that he had disclosed the following conflicts of interest: 1) he is an owner of property in the District boundaries, and 2) he has no financial interest in connection with official action of the district.

Director Neely reported that she had disclosed the following conflicts of interest: 1) she is an owner of property within the District boundaries, and 2) she has no financial interest in connection with official action of the District.

Director Nelson reported that he had disclosed the following conflicts of interest: 1) he is an owner of property within the District boundaries, and 2) he has no financial interest in connection with official action of the District.

Director Garbini reported that he had disclosed the following conflicts of interest: 1) he has a contract to purchase property within the District boundaries, and 2) he is employed by CMZ, Inc. which provides consulting services as a paid consultant.

Ms. Ivey advised that written disclosures of these interests were filed with the Secretary of State at least seventy-two hours prior to the meeting.

Approval of/Additions To/
Deletions From the Agenda:

After review and discussion and upon motion of Director Sullivan and second of Director Hoffman, the Board unanimously approved the agenda as revised to delay Item 7(d) to the end of the meeting and Item 8(a) moved to Item 8(c).

Public Comment for Items Not
on Agenda:

Mr. Beery noted that he had recommendations for changes to the District's snow removal practices. This item will be covered under Item 6 – Management Report.

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Approval of Minutes:

Ms. Ivey noted that she had received some corrections from Ms. Neely of typographical errors in the draft minutes which have been incorporated into a final draft. Director Garbini questioned if the Board had authorized Mr. Matisse to transmit a letter at its September 9, 2019 meeting. It was explained that this was approved and that the Finance Committee was directed to review a draft of the letter prior to transmittal. After review and discussion and upon motion of Director Nelson and second of Director Neely, the Board approved the minutes of the September 9, 2019 regular meeting of the Board of Directors by a vote of 4-1 with Director Garbini voting against the motion.

Management Report:

Mr. Harris reviewed with the Board his District Management Report, which was included in the meeting packet and the following items were discussed in detail:

- With regard to a new Landscape Committee Chair, Mr. Harris reported that to date no one has stepped up to take over this volunteer position, to replace Chris Voss. Mr. Harris will contact his vendors to see if anyone would be interested in being hired as our gardener, but we still need a Landscape Committee Chair.
- Mr. Harris noted that ice melt was provided for manor residents facing north, that snow pile spots were designated when plowing, and that Absolute engaged additional equipment to remove ice.
- Mr. Beery reviewed the recommendations of the citizen's drainage committee related to snow removal and drainage concerns which were detailed in material distributed to the Board. During this discussion, the Board looked at a possible solution; at a cost of up to \$1,000, the next time the weather forecast indicates 6" or more of snowfall, Absolute could lay down ice melt on Primo Rd., at buildings 9-12, and in the trash areas between buildings 13 & 12 and 10 & 9. This would be a one-time trial, to see if laying down the ice melt prior to snowfall helps improve plowing and alleviates ice build-up. Director Garbini provided the Board with historical context related to drainage issues within the District and cautioned the District to ensure that ice

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melt chemicals do not flow into any unwanted locations. It was determined that the current drainage flow would not cause problems.

- After further review and discussion and upon motion of Director Neely and second of Director Nelson, the Board approved following the recommendations provided and authorized the expenditure of additional funds therefor.
- Mr. Harris noted that he had received an updated island design from Century, and that Century agreed, per the District's request, to remove the bench and trash cans which would have been located at the bus stop, which was also removed.
- Century Communities reimbursed the District for \$15,850 in legal expenses related to the legal review and negotiations of the agreements for their portion of the development.

Legal Matters:

Consider Approval of 2020 Annual Administrative Matters Resolution and Election of Officers:

Ms. Ivey presented the Board of Directors with and reviewed a Resolution Concerning 2020 Annual Administrative Matters for the District. Following discussion and upon motion by Director Sullivan, second by Director Neely and unanimous vote the Board of Directors adopted and approved the Resolution Concerning 2020 Annual Administrative Matters and elected the following Officers for the District:

President/Chairman: Kathryn Neely
Secretary: David Hoffman
Treasurer: Alfred Sullivan
Assistant Secretary: Christopher Nelson
Assistant Secretary: Alec Garbini

Consider Approval of 2020 Election Resolution:

Ms. Ivey presented the Board of Directors with and reviewed a Resolution Concerning 2020 Election. Following discussion and upon motion by Director Neely, second by Director Hoffman and unanimous vote the Board of Directors adopted and approved the Resolution Concerning 2020 Election.

Workers' Compensation Insurance:

Ms. Ivey presented to and discussed with the Board a resolution determining not to provide workers' compensation insurance coverage for uncompensated members of the Board. After discussion, upon motion of Director Nelson and second

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of Director Neely, the Board unanimously approved the Resolution.

Financial Matters:

Consider Approval of Financial Statements:

Mr. Collins reviewed with the Board the October 31, 2019 financial statement. After review and discussion and upon motion of Director Sullivan and second of Director Hoffman, the Board unanimously accepted the financial statement as presented.

Payment/Ratification of Claims:

Mr. Collins reviewed with the Board the interim claims represented by checks 1215 – 1221 totaling \$56,181.47 and the current claims represented by checks 1222-1230 totaling \$29,970.37. After review and discussion and upon motion of Director Sullivan and second of Director Hoffman, the Board unanimously ratified and approved the claims as presented.

2020 Budget:

Mr. Collins reviewed the proposed 2020 budget with the Board of Directors and the public and Ms. Ivey presented to the Board of Directors a Resolution for approval and adoption of the 2020 budget, appropriating funds therefore and certification of a mill levy thereunder. Members of the Board requested the following revisions to the draft 2020 budget: (1) increase district management to \$12,000; (2) add pet waste stations line item in the amount of \$2,400; (3) remove line items for Highland canal repairs and irrigation survey work; (4) decrease water-irrigation to \$15,000; (5) move the asphalt reseal/fill from capital to operations and maintenance and decrease it to \$5,000; and (6) decrease entry monument/landscaping capital project to \$10,000.

Upon motion by Director Sullivan, second by Director Hoffman and unanimous vote the Board of Directors opened a public hearing on the proposed 2020 budget consistent with published notice. Several members of the public asked questions during the review of the budget, during the public comment portion one member of the public asked for a general explanation of the financial health of the district and its bonded indebtedness, a member of the public inquired about the facilities fees and capital fees, and another member of the public asked for confirmation of his understanding of what the contingency line item could be spent on. Upon motion by Director Neely, second by Director Sullivan and unanimous

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vote the Board of Directors closed the public hearing.

After further review and discussion of the proposed 2020 budget, including suggestions from Director Sullivan that next year the Board hold a budget workshop in November and that broader categories be used for some of the line items with footnotes explaining the subcategories. Upon motion by Director Nelson and second by Director Sullivan, the Board unanimously approved the Resolution adopting the year 2020 budget (with the revisions noted above), appropriating the expenditures therefore and certifying the mill levy thereunder.

Finance Committee Report: None.

Other Business:

Landscaping: County Line Road and Primo Road:

Director Hoffman discussed with the Board an issue related to the landscaping at County Line Road and Primo Road that resulted from the work that Richmond Homes did to install handicapped ramps and make other improvements to the area. Mr. Harris reported that he believed that Richmond Homes was planning to correct this issue and suggested that this Item be tabled to the March 9, 2020 regular meeting for further discussion. Mr. Harris will continue discussions with Richmond Homes regarding this matter and present his findings in March. The Board agreed and tabled the matter.

Century Communities
Property Trash Receptacles:

Director Hoffman discussed with the Board the trash receptacles that Century Communities included in their site plan in areas that the District will eventually take responsibility for. Director Hoffman noted that the District does not currently have trash receptacles in any other areas in the District and wondered if the Board would like to approach Century Communities about having these removed from the Site Plan. The Board discussed whether it would be possible to have Century Communities' new HOA take care of trash removal for these receptacles. Messrs. Hoffman and Harris will discuss this with representatives of Century Communities and report back to the Board at the March 9, 2020 regular meeting.

Mr. Harris reported that with regard to the final plans for the island design that Century Communities will be constructing, which was covered briefly in his management report, Century

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is requesting the Board's final approval. After review and discussion and upon the motion of Director Sullivan and second of Director Nelson, the Board unanimously authorized Directors Neely and Hoffman and Mr. Harris to review the plans and delegated to them the power to comment on and approve the plans.

2019/2020 Service
Contracts:

After review and discussion and upon the motion of Director Garbini and second of Director Neely, the Board unanimously approved the following service contracts:

- Dazzio & Associates, P.C. Audit Engagement for preparation of 2019 audit
- Icenogle Seaver Pogue, P.C. Legal Services

and a First Amendment to Management Services Agreement.

Consider Actions Related to
Developer Advances/Settlement
Agreement:

Mr. Matise advised the Board and members of the public that a letter had been sent to Verona Building Company, LLC advising of the District's position that, among other things, because of the limitations in the District's service plan and TABOR that the District is not obligated to repay any of the unreimbursed advances made by Verona Building Company, LLC. Director Garbini stated that he has concerns with the letter related to certain actions that don't involve the District and feels that it was inappropriate to send the letter without first consulting him for a historical perspective.

Executive Session:

Upon motion of Director Sullivan and second of Director Neely, the Board unanimously voted to enter into an Executive session pursuant to Sections 24-6-402(4)(b) and/or 24-6-402(4)(e), C.R.S. for the purpose of receiving legal advice on specific legal questions and/or determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators regarding the Developer Advances/Settlement Agreement, regulation of District facilities, and/or the District's financial status at 2:53 p.m.

All remaining members of the public departed the meeting at this time. Members of the Board, Ms. Ivey and Messrs. Harris, Collins, Vigil, and Matise participated in the Executive Session.

Upon motion by Director Sullivan and second by Director

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Hoffman the Board unanimously voted to exit the Executive Session and reconvene the special meeting at 3:37 p.m.

After review and discussion and upon the motion of Director Sullivan and second of Director Hoffman, the Board unanimously approved Mr. Matise sending a follow-up letter to Verona Building Company, LLC advising that the District does not release any claims and because of the limitations in the District's service plan and TABOR that it is the District's position that it is not obligated to repay any of the unreimbursed advances made by Verona Building Company, LLC to the District.

Adjournment:

There being no further business to come before the Board, the meeting was adjourned upon motion by Director Neely, second by Director Hoffman and unanimous vote at 3:41 p.m.


Secretary