

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF  
HEATHER RIDGE METROPOLITAN DISTRICT NO. 1**

Held April 18, 2019, at 4:00 p.m. at 13521 East Iliff Avenue, Aurora, Colorado

Director Attendance/ Qualifications	<p>A meeting of the Heather Ridge Metropolitan District No. 1 (the “<b>District</b>”) was held as shown above and in accordance with the applicable statutes of the State of Colorado. A public audience was in attendance. The following Directors, having confirmed their qualification to serve on the Board, were in attendance:</p> <p>Errol Rowland Patt Dodd Bette Secord Jane Klein Van Lewis Joan Beldock Kay Griffiths</p> <p>Also present for the District: Sean Allen, Esq., White, Bear Ankele Tanaka &amp; Waldron, general counsel (by phone); Diane Wheeler, Simmons &amp; Wheeler, P.C., District accountant (by phone); Larry Ransford, Barry McConnell., Ray Griffiths, and other members of the public.</p>
Call to Order/Quorum	<p>Director Rowland noted a quorum was present and each Director present confirmed they were qualified to serve. Director Rowland referenced the District’s mission statement.</p>
Conflict Disclosure	<p>Mr. Allen advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Allen inquired whether members of the Board had any disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. Director Rowland reminded the Board that he is performing District website maintenance and management services for which compensation is paid. All Board members confirmed there are no other conflicts of interest.</p>
Approval of Agenda	<p>The agenda was accepted by the Board.</p>
Minutes	<p>The minutes from the October 18, 2018, meeting was discussed. Following discussion, upon motion made and seconded, the Board unanimously approved the minutes.</p>
<b>Community Reports</b>	<p>Director Lewis gave the Board a general ongoing community update report. Director Lewis noted that the security service provider has been on site for several months and the trespass information flyer was reviewed and discussed. Also noted was the Wall Street Journal article about how the community residents created the District to buy the golf course.</p>
 <b>Financial</b>	
Financial Statements/Payment of Claims	<p>Mr. Ransford gave a summary of the financial statements dated March 31, 2019 and claims payable. After consideration of the financial statements and the current and interim invoices, and upon motion and second, the financial statements dated March 31, 2019 and claims were unanimously accepted and approved.</p>

## **Golf Course Operation Report**

General Operations	The general operations report was presented by Mr. Ransford.
Cobblestone HOA Safety Net Proposal	Director Lewis presented to the Board the safety net proposal by the HOA. It was noted that if a safety proposal is raised by any HOA, the Board would consider the matter and cost sharing arrangements could be negotiated.
Executive Session –C.R.S., Section 24-6-402(4)(b) – Conference with Legal Counsel Regarding Revocation of Golf Pass and Threatened Claim	At 4:53 p.m. a motion was made and seconded to go into executive session for the purpose of receiving legal advice on specific questions related to the revocation of Mr. Palea’s golf pass and his threats to bring a claim pursuant to C.R.S., Section 24-6-402(4)(b). The Board did not engage in substantial discussion of any matter not enumerated in Section 24-6-402(4)(b), C.R.S. The Board did not adopt any proposed policy, position, resolution, rule, regulation, or formal action. The executive session was adjourned and the regular meeting session resumed at 5:20 p.m. up on a motion duly made and seconded and passed on the affirmative vote of all Board members in attendance. General counsel stated that all of the executive session discussion constituted attorney-client privilege communication, and therefore no electronic recording was made.
GCAT Proposal	<p>The Board considered GCAT’s proposal to have the legal costs generated in response to Mr. Palea’s repeated complaints and allegations stemming from the termination of his golf pass be paid by the District’s general fund instead of the golf course enterprise fund. After discussion, upon motion and second, the Board unanimously determined that if Mr. Palea agrees to a settlement and release arrangement, then the District would contribute \$3,500 from the general fund for such arrangement. However, absent any such satisfactory settlement and release, the enterprise fund will continue to fund all legal costs incurred in response to and otherwise involving Mr. Palea’s actions.</p>

## **District Asset Management Report**

Clubhouse Capital Project/Expenditure & Agreements Report; HVAC Contract Restaurant Area	Mr. McConnell discussed with the Board the various areas and items that are in need of repair. Mr. McConnell noted the old HVAC unit is at the end of its useful life a replacement is needed. It was noted the cost to install new HVAC could be up to \$45,000. If the units can be maintained for the 2019 summer, the full replacement cost will be added to the 2020 budget. Mr. McConnell noted that the HVAC units may still need to be replaced in 2019 should they fail. Mr. McConnell gave a general update on the restaurant operations and noted the operations are doing well, a new range hood has been installed on the roof.
Restaurant Operations	Director Lewis he reviews the security and incident reports regularly.
Security Patrol Report	Director Lewis reported that having a financing source for water well replacement continues to be an issue for the District. A Letter of Credit funding source has been analyzed and deemed not viable at this time. Other sources of stand-by funding will be explored.
Water Supply and Line of Credit Status	

## **Miscellaneous**

2019 Annual Administrative Resolution	Mr. Allen presented the 2019 Annual Administrative Resolution to Board. Following discussion, upon motion duly made and seconded, the Board adopted the resolution.
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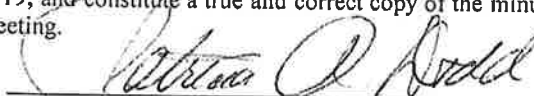
Minimum Wage

Mr. McConnell and Mr. Ransford reported to the Board about the financial impacts of the increase in the Colorado minimum. The Board engaged in a discussion, and upon motion and second, increased the monthly services compensation to Homeworx HOA Management Consulting, Larry Ransford Golf, Inc. and Ribbon Recyclers by \$176/month each, effective as of January 1, 2019. Director Rowland abstained.

Next Regular Meeting/Adjourn

Meeting adjourned.

The foregoing minutes were approved by the Board of Directors on October 17, 2019, and constitute a true and correct copy of the minutes of the above-referenced meeting.

  
Secretary for the Meeting