

RECORD OF PROCEEDINGS

MINUTES OF THE COMBINED REGULAR MEETING OF THE BOARDS OF DIRECTORS OF THE

MERIDIAN RANCH METROPOLITAN DISTRICT MERIDIAN SERVICE METROPOLITAN DISTRICT

Held: Wednesday, February 1, 2017, 10:00 a.m., at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831

Attendance

The combined regular meeting of the Boards of Directors of the Meridian Ranch Metropolitan District and the Meridian Service Metropolitan District was called and held, as shown, in accordance with Colorado law. The following Directors were in attendance:

Butch Gabrielski
Mike Fenton
Bill Gessner
Wayne Reorda
Doug Woods (via telephone)

Also present were:

Kevin Fackerell; Sewer Operator
Brayden McCrory; Water Operator
Tom Kerby; Meridian Service Metro District
Mark Whittle; TechBilt
Angela Maxey, Meridian Service Metro District
Raul Guzman, Construction Manager; TechBilt
Abby Harlan; YMCA
Megan Priday; YMCA
Jessica Ehlen; YMCA
Angie Kelly; Community Resource Services
Sue Blair; Community Resource Services
Matthew Dalton, Esq; Spencer Fane

Call to Order

A quorum of the Board was present and the Directors confirmed their qualification to serve.

Disclosure Matters

Mr. Dalton noted that written disclosures of the interests of all of the directors have been filed with the Secretary of State.

Approve Agenda

The Board reviewed the agenda and Director Gessner moved to approve the agenda as amended; adding utility notes and the acceptance of the bill of sale for the District trailer to section IV and moving the executive session to the end of the meeting, after section VII. Upon a second by Director Fenton, a vote was taken and the motion carried unanimously.

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Comments from Visitors

Henry Crist addressed the Board about the fees and the increase for 2017. He questioned what notification was sent about these increases and the purpose of the increase. Ms. Blair outlined the publication and notification process for budgeting as well as fee changes. There was information posted on the website, included in the monthly water billing and published according to State Statute. The process to create the budget was also outlined. Mr. Crist noted he feels the rates are up but covenant enforcement is down. Director Gessner explained the difference between the Metro District and the DRC and that these two entities operate separately and fees are separate for each entity.

Felicity Hajjar addressed the board about the dead fur tree at the golf course and asked if it was going to be removed and/or replaced. Director Reorda noted that it would be removed and replacement was still being considered. Ms. Hajjar also asked if anything was going to be installed at the Stonebridge gazebo, as far as seating. Director Gabrielski explained that the gazebo was installed at the end of the 2016 season and tables will be installed this spring.

Alex Freed began by thanking the Board for their work and noted he would like to speak about the recreation center. Mr. Freed noted he is unhappy with the hours of operation and was unhappy with the facility being closed for a church group. Director Gabrielski noted that the recreation center is closed Sunday morning and the church group is using the facility on a rental basis: the group is not the reason the recreation center is closed. Also, Director Gabrielski noted that the hours for the recreation center would be changing after this Board meeting, upon approval of the new contract.

Bob Helms also asked the Board about the recreation center hours and noted he was upset with the mid-day closure. Mr. Helms also noted that he did not agree with paying the same amount in fees as a household with 6 people as their usage would be higher. Director Gabrielski, again, noted the hours of operation for the recreation center would be changing.

Carol Green addressed the Board with 2 items: the heat in the gym is too high and she questioned if Londonderry & Lambert can be marked with bike lanes. Director Gabrielski noted that bike lanes cannot be added by the District as the roads belong to the County and such a request would need to be directed to their offices. Ms. Harlan noted she heard the complaint about the heat in the gym.

Jeff Amos also addressed the Board about the hours of the recreation center. He would like the pool to be open on Tuesday and Thursday as he needs the pool to exercise. Mr. Amos was also concerned about the lifeguard behavior and rudeness.

Nancy Weiss asked the Board to meet in a room in which people did not have to look at their backs. Ms. Weiss noted she would like more communication from

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the Board to the community. Ms. Weiss also noted her desire for more exercise classes.

Dan Barlow addressed the Board about the increasing fees for the District. He noted it is beginning to be a burden to homeowners. Mr. Barlow noted that if fees keep going up he would like to see the District keep the grounds looking better and the recreation center be open more hours. Director Fenton noted that many of the fees paid are for the water and sewer service and that the District is a utility provider for the residents. While the recreation center is important, the vast majority of the resources go toward the water and sewer services.

Chad Fishbank asked the Board when the community can get involved with the budgeting process. Ms. Blair noted that the draft budget is typically outlined at the October Board meeting or November Board meeting. Following this, the public hearing is typically held in at the December Board meeting. Mr. Fishbank also noted that Holly Springs is a mess and asked the District to clean up the area. Director Gabrielski noted he would follow-up with this area.

Kenny Burns addressed the Board about the teenagers in the recreation center. Mr. Burns outlined inappropriate behavior and rudeness as two main issues. Ms. Harlan noted that she is aware of the issue and is working on ideas to help remedy the concerns. Director Gabrielski also explained that they are reviewing possible options to help such as a text-a-tip.

Minutes

The Board reviewed the minutes of the January 11, 2017 combined regular meeting. Director Fenton moved that the Board approve the minutes as presented. Upon second by Director Reorda, a vote was taken and the motion carried unanimously.

YMCA Report

The report distributed in the Board packet was reviewed by the YMCA. Abby Harlan noted that the January budget numbers were not quite ready given the early scheduling of the meeting. Ms. Harlan also outlined her items of focus for this year: cleanliness of the facility, volunteer development, improved information sharing, and consistency among staff & communication. Ms. Harlan also outlined the opportunity for scholarships through the YMCA. She encouraged the community to review the options and share the information with neighbors.

Operations Report

Mr. Fackerell distributed and reviewed the water operation report for January 2017. Mr. McCrory reviewed the sewer operation report for January 2017.

Financial Items

Approval of Payment of Claims - The Board reviewed claims presented for payment at this meeting represented by check nos. 1911-1916 totaling \$3,630.57 for Meridian Ranch and check nos. 9310-9368 totaling \$235,727.92 for Meridian Service. Meridian Service checks include the voided Alsco check no. 9324 for

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\$762.05. Ms. Blair noted that a developer advance was not needed for these claims. Director Gessner moved that the Board approve and ratify payment of the claims. Upon a second by Director Fenton, a vote was taken and the motion carried unanimously.

Cash Position – Ms. Blair reviewed the cash position summary for Meridian Service Metropolitan District and Meridian Ranch Metropolitan District with the Board. Ms. Blair noted that budget amendments will need to be made for the General Fund, Water Fund and Sewer Fund. Upon a motion and by Director Fenton and a second by Director Reorda, the motion unanimously carried to accept the cash position summary.

Items from the Manager

LSC Traffic Report: A draft has been completed by the traffic engineer from LSC. A full report will be completed by the end of February. Tom Kerby reviewed the report with the Board and will work to ensure the District comments are included in the report. It was also noted that the District is already taking action on one recommendation: to cut back some landscaping for improved sight lines.

Review 2016 Tap Fee Report: The Tap Fee Report was reviewed.

Utility Notes: a change needs to be made to the General Utility Notes for Meridian Service Metropolitan District: note 32 needs to reflect a change in the butterfly valve size from 12” to 14”. Director Gessner moved to approve this change. Upon a second by Director Fenton, a vote was taken and the motion carried unanimously.

Bill of Sale: Director Gabrielski explained that the District was purchasing the trailer previously used for construction purposes from GTL. The trailer will now be used for field staff offices. A motion was made by Director Fenton to approve the Bill of Sale for the trailer from GTL to Meridian Service Metropolitan District for \$10,500, subject to the deletion of the indemnity statement. Upon a second by Director Reorda, a vote was taken and the motion carried unanimously.

Items from the Construction Manager

Mr. Guzman reported that the District has budgeted funds to replace much of the mulch that has washed away with rock. This will likely begin in March. Regarding the shops: a lease is being negotiated for another restaurant near Jaks. A letter of intent was submitted for a dentist office, women’s boutique and fitness group. Jaks intends to open on March 1. All other shops are open. 80 lots of the Vistas should be paved by September 1st and the remaining balance paved by November 1st. 164 lots at Stonebridge will begin the grading process in March. 73 lots in Stonebridge will be paved by September 1st. Finally, the landscape contract has been signed for Filing 9 and the Estates.

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Board Member Items

YMCA Contract: The proposed contract changes would add amendments and exhibits to the existing base contract. The hours will be expanded in the pool to help alleviate homeowner unrest. Upon review of the changes, Director Fenton moved to approve the YMCA Contract for 2017. Upon a second by Director Gessner, a vote was taken and the motion carried unanimously.

Landscape Maintenance Contract: Proposals were presented from CDI, BrightView and LandTech. Upon review and discussion, it was noted that Fred Jackson (District Landscape Manager) suggested the approval of the CDI contract due to the price and their proven quality of work. Director Gessner moved to approve the CDI contract without an irrigation technician and subject to final legal review. Upon a second by Director Fenton, a vote was taken and the motion carried unanimously.

Meridian Ranch A2 Well Repair Contract: A bid was presented by Applied Ingenuity for the Board to consider. Mr. Fackerell presented the information and outlined the process of repair. It was noted that the repair is included in the 2017 budget. Upon discussion, Director Fenton moved to approve the Applied Ingenuity bid for \$30,587. Upon a second by Director Reorda, a vote was taken and the motion carried unanimously.

Falcon Freedom Days Contracts: Director Gabrielski distributed contracts and pricing for Waste Management, Americana Portable Services, Brunos Party Time, Bills Tool Rental, Brian Heperle, Brian Thomas, MWPG, Big Air Jumpers and Gravity Play. It was noted that \$50,000 is in the 2017 budget for the event and often \$30,000-\$40,000 is collected in donations to allow for increased budgeting. Falcon Freedom Days will be held July 1, 2017 from 5:30 a.m. to 10 p.m. The money raised will be donated to the Rocky Mountain Childhood Cancer Foundation. Director Gessner moved to approve the presented contracts, subject to final legal review. Upon a second by Director Fenton, a vote was taken and the motion carried unanimously.

Authorize spending for Falcon Freedom Days: Director Gabrielski asked the Board to approve funds necessary for Falcon Freedom Days. Often the vendors need a quick answer regarding booking the event and the District would like permission to spend funds to be later ratified. Director Gessner moved to approve the spending of \$1,000 per contract with an aggregate of \$15,000 for the 2017 Falcon Freedom Days. All funds will be ratified at the meeting following the expenditure and all contracts are subject to final legal review. Upon a second by Director Reorda, a vote was taken and the motion carried unanimously.

Lift Station Tri-Oxyn Contract: Mr. McCrory reviewed the bids provided by Thatcher Company and Evoqua. This system is the odor control system for the wastewater. The bids outlined new equipment to be purchased by the District on

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a multi-year contract in which the District would own the equipment once the 3 years expired. The updated system will allow flexibly in feeding chemicals to match usage demands. This will allow the District to save money on the amount of chemical being used. The same chemical will be used as is being used now. Mr. McCrory suggested the District use Thatcher Company, Inc for this purchase. Director Gessner moved to approve the Thatcher Company contract, subject to final legal review. Upon a second by Director Reorda, a vote was taken and the motion carried unanimously.

Recreation Center Gym Light Replacement: A proposal was presented to the Board for the replacement of all gym lights with LED lights. This change is included in the 2017 budget and will allow the District to save money on energy bills as LED lights use less energy during operation. Ross Electric has been asked to complete the work; they have worked for the District previously and done good work. Implementation was discussed in which ½ the gym would be done at a time to ensure a portion of the gym remain open for use. Director Gessner moved to approve the contract with Ross Electric to complete the LED light exchange for \$6,470 as well as the purchase of the lights for \$20,661.18. Upon a second by Director Fenton, a vote was taken and the motion carried unanimously.

Mulch Replacement Bids: The Board reviewed bids for mulch replacement along Meridian Ranch Boulevard and Londonderry. This is to replace the mulch that has washed away with rock. Bids were reviewed from Total Service Group, Redstone, Inc., and LandTech. Director Gabrielski recommended the approval of Redstone to complete the work as they have superior equipment and can finish the project quicker. Director Gessner moved to approve the Redstone, Inc. contract to replace mulch with rock along Meridian Ranch Blvd and Londonderry Road for \$62,570. Upon a second by Director Fenton, a vote was taken and the motion carried unanimously.

SCADA Upgrade: Information was distributed to the Board for review and discussion at the next meeting. Director Gessner presented a few questions to be answered at the next meeting: what are the advantages/disadvantages for purchase vs lease; can the existing sensors be used or are new ones needed; would the District purchase their own hardware; and how does this relate to the existing equipment? Further discussion will take place at the March 8 Board meeting.

Extended Pool Warranty: Director Gabrielski outlined the District's concerns regarding the indoor pool. The salt build-up, the failing tile work and continued equipment failures are all of concern. Director Gabrielski suggested the District demand an extended warranty to ensure these items are resolved at no cost to the District. The Board directed Mr. Dalton and Director Gabrielski to handle the situation.

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Legal Matters

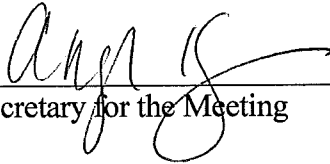
Enter into Executive Session pursuant to Section 24-6-402(4)(b), C.R.S to seek legal advice. A motion was made by Director Fenton to enter executive session at 12:54 p.m. Upon a second by Director Reorda, a vote was taken and the motion carried unanimously.
A motion was made by Director Gessner to come out of executive session at 1:13 p.m. Upon a second by Director Fenton, a vote was taken and the motion carried unanimously.

Adjournment

There being no further business to come before the Boards at this time, Director Woods moved to adjourn the meeting at 1:14 p.m. Upon a second by Director Fenton, a vote was taken and the motion carried unanimously.

The next meeting of the Board is scheduled for March 8, 2017.

Respectfully submitted,



Secretary for the Meeting