

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF

HAWTHORN METROPOLITAN DISTRICT NO. 2

Held: Monday, March 2, 2020, at 2:00 p.m. at 17685 W. 83<sup>rd</sup> Drive, Arvada, Colorado.

**Attendance**

The regular meeting of the Board of Directors of the Hawthorn Metropolitan District No. 2, was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. The following Directors, having confirmed their qualification to serve on the Board, were in attendance:

Krystal Bigley  
Matthew Cavanaugh  
Andrea Stewart  
Brittany Lutz

All Director absences are deemed excused unless otherwise specified.

Also present was Megan J. Murphy, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; Alex Fink, CliftonLarsonAllen LLP, District Accountant; and Peggy Ripko, Special District Management Services, Inc., District Manager.

**Call to Order**

It was noted that a quorum of the Board was present and the meeting was called to order.

**Conflict of Interest Disclosures**

Ms. Murphy advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Murphy reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Murphy noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Board determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

**Approval of Agenda**

Ms. Murphy presented the Agenda to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agenda as amended.

**Public Comment**

None.

**Consent Agenda**

The following items on the consent agenda were considered routine or administrative. Following a summary by Ms. Murphy the items on the consent agenda were approved by one motion duly made and seconded, and unanimously carried.

1. Minutes from December 2, 2019 Regular Meeting
2. Minutes from January 20, 2020 Special Meeting

**Facilities Management**

District Manager Update

Ms. Ripko stated that Special District Management Services, Inc. (“SDMS”) is providing community management services effective March 1, 2020. Ms. Ripko is working with CliftonLarsonAllen LLP (“CLA”) to transfer all files to SDMS. Ms. Bigley noted that she has changed the contact information on the website from CLA to SDMS.

Covenant Enforcement Update

No update.

Discuss 2020 Contract Renewals/Proposals

Consider Ratification of Independent Contractor Agreement with Special District Management Services, Inc. for Community Management and Covenant Enforcement Services

Ms. Murphy presented the Board with the Independent Contractor Agreement with Special District Management Services, Inc. for Community Management and Covenant Enforcement Services. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the contract.

Consider Ratification of Independent Contractor Agreement with Environmental Landworks for Landscape Maintenance Services

Ms. Murphy presented the Board with the Independent Contractor Agreement with Environmental Landworks for Landscape Maintenance Services to be effective April 1, 2020. Ms. Ripko noted that she will work with Environmental Landworks to ensure the irrigation system is working starting April 1, 2020. Ms. Bigley asked if the contract includes information about tree replacement. Mr. Cavanaugh responded that the contract does not include any information about tree replacement. Following discussion, upon a

motion duly made and seconded, the Board unanimously ratified the contract.

Consider Approval of Engagement Letter from CliftonLarsonAllen LLP for Billing Services

Ms. Murphy presented the Board with an Engagement Letter from CliftonLarsonAllen LLP for Billing Services. Following discussion, the Board directed CLA to provide an accounting of current operations fees that have not been paid and transfer all operations fee billing to SDMS as soon as possible.

Consider Approval of Proposal from H2 Enterprises for Weed Control Services

Ms. Murphy presented the Board with a proposal from H2 Enterprises for weed control services. Following discussion, upon a motion duly made and seconded, the Board approved the proposal for an amount not to exceed \$28,650 and directed Ms. Ripko and Mr. Cavanaugh to finalize the scope of work with H2 Enterprises.

### **Legal Matters**

Consider Approval of Resolution Regarding Acquisition of Public Improvements (Tract D)

Ms. Murphy presented the Board with the Resolution Regarding Acquisition of Public Improvements (Tract D). Ms. Murphy explained to the Board that Tract D is the current director's parcel that qualifies Mr. Cavanaugh as well as the entire Board of Directors of Hawthorn Metropolitan District No. 1. Ms. Murphy noted that the District already provides landscape maintenance services to Tract D. Following discussion, upon a motion duly made and seconded, the Board adopted the resolution.

Consider Approval of Special Warranty Deed (Tract D)

Ms. Murphy presented the Board with the Special Warranty Deed (Tract D). Following discussion, upon a motion duly made and seconded, the Board approved the special warranty deed and directed Ms. Murphy to not record the special warranty deed until after the June 1, 2020 meeting.

### **Financial Matters**

Financials/Claims Payable

Mr. Fink presented the Board with the December 31, 2019 unaudited financials for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the unaudited financials.

Mr. Fink presented the Board with interim claims through February 20, 2020. The Board engaged in discussion regarding payments to The Davey Tree Company. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the interim claims.

Executive session regarding receiving legal advice pursuant to § 24-6-402(4)(b), C.R.S. as it relates to the Independent Contractor Agreement with The Davey Tree Company and determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, instructing negotiators pursuant to § 24-6-402(4)(e), C.R.S.

Upon a motion by Ms. Bigley, seconded by Ms. Lutz, an upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 2:47 p.m. for the purpose of receiving legal advice pursuant to § 24-6-402(4)(b), C.R.S. as it relates to the Independent Contractor Agreement with The Davey Tree Company and determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, instructing negotiators pursuant to § 24-6-402(4)(e), C.R.S.

Pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of the portion of this executive session that, in the opinion of the District's legal counsel, constitutes privileged attorney-client communication pursuant to § 24-6-402(4)(b), C.R.S.

Pursuant to § 24-6-402(4), C.R.S., the Board did not adopt any proposed policy, position, resolution, rule, regulation or take formal action during executive session.

The Board reconvened in regular session at 3:10 p.m. Following discussion, upon a motion duly made and seconded, the Board directed legal counsel to draft letters to The Davey Tree Company and CLA offering to settle the dispute regarding dead trees and authorized Ms. Bigley and Mr. Cavanaugh to accept any offers made by The Davey Tree Company or CLA.

**Other Business**

None.

**Next Meeting**

The next meeting is scheduled for Monday, June 1, 2020 at 2:00 p.m. at 17685 W. 83rd Drive, Arvada, Colorado.

**Adjournment**

There being no further business to come before the Board, and following discussion and upon motion duly made, seconded and unanimously carried, the Board determined to adjourn the meeting.

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

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Secretary for the Meeting