

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF

HAWTHORN METROPOLITAN DISTRICT NO. 2

Held: Monday, December 2, 2019, 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  
Carly Fenton  
Matthew Cavanaugh  
Andrea Stewart  
Brittany Lutz

All Director absences are deemed excused unless otherwise specified.

Also present were:

Megan J. Murphy, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; Denise Denslow and Patrick Shannon, CliftonLarsonAllen, LLP, District Managers; Susie Ellis, Community Preservation Specialists.

**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, seconded, and vote unanimously carried.

1. Minutes from September 9, 2019 special meeting
2. Resolution Calling May 2020 Election

## **Facilities Management**

### **District Manager Update**

Mr. Shannon presented the Board with the district manager report. The Board engaged in general discussion regarding the Davey Tree contract. Davey Tree has represented that the 1 year warranty that only covers the cost of replacement trees but not labor to install the trees which is approximately \$6,080. Mr. Shannon will talk to Davey Tree about winter watering.

The Board engaged in discussion regarding doggie daycare fence that was repaired by Director Fenton and Ty Fenton. Mr. Cavanaugh said Jefferson County wanted the fence installed and it is not an asset to the District. Susie will reach out to Jefferson County regarding the fence and will provide an update to the Board at the next meeting. The Board engaged in general discussion regarding the Reservation Signs and Rules and Regulations Signs. Following discussion, upon a motion duly made and seconded, the Board approved two Park and Open Space Rules signs from FastSigns not to exceed \$800.

Mr. Shannon noted that the RV has been moved.

Mr. Shannon presented a proposal from H2 Enterprises for native area seeding. Director Bigley presented a proposal from DTEC Solutions & Services for native seeding. Following discussion, the Board decided to defer this matter until Spring 2020.

Mr. Shannon presented the CliftonLarsonAllen (“CLA”) 5% Technology Fee to the Board. Beginning in 2020, CLA is implementing a firm wide 5% Technology Fee on all client invoices. This fee is a direct cost pass through for expenses related to protecting client data and will appear on all invoices beginning in January.

### **Covenant Enforcement Update**

Ms. Ellis presented the Board with the covenant enforcement report.

The Board engaged in discussion regarding a homeowner fence. The Residential Improvement Guidelines and Site Restrictions require perimeter lot fencing to be setback a minimum of 10’ from the front of the home. The homeowners’ fence is 4.5 feet from the front of the garage but more than 10’ from the front porch of the home. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the fence as installed.

Following discussion, upon a motion duly made and seconded, the Board directed legal counsel to revise the language regarding the minimum

setback for District Lot Fence Specifications as stated in the Residential Improvement Guidelines and Site Restrictions.

Architectural Review  
Committee Update

No update.

**Discuss 2020 Contract  
Renewals/Proposals**

Discussion regarding District Management and Covenant Enforcement Proposals

Ms. Murphy presented the Board with the proposals. Ms. Ellis and Ms. Denslow answered questions from the Board. This was deferred until after the 2020 budget discussion.

Consider Approval of Proposal from H2 Enterprises for Weed Control Services

This was deferred.

Consider Approval of Proposal from Metco Landscape for Landscape Maintenance Services

This was deferred.

Consider Proposal from Environmental Landworks for Landscape Management Services

This was deferred.

Consider Approval of Proposal from Poop911

Ms. Murphy presented the Board with proposal from Poop911 for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the proposal.

**Financial Matters**

Consider Approval of Payables/Financials

Ms. Pangindian presented the Board with the September 30, 2019 unaudited financials for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the unaudited financials.

Ms. Pangindian presented the Board with the claims payable. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the claims from September 6, 2019 through November 25, 2019 for a total of \$37,326.29.

Consider Approval of Engagement Letter from Dazzio & Associates, P.C. to perform 2019 Audit

Ms. Pangindian presented the engagement letter from Dazzio & Associates, P.C. The audit fee of \$4,700, is the same cost as 2018. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the engagement letter from Dazzio & Associates, P.C.

Conduct Public Hearing on 2019 Budget Amendment

Director Bigley opened the public hearing for the 2019 budget amendment. Ms. Murphy noted that the notice for the public hearing was made in accordance with the applicable Colorado statutes. No written

and Consider Adoption of Resolution Amending 2019 Budget

objections were received prior to the public hearing. After no public comment was made, the public hearing was closed.

Ms. Pangindian presented the proposed 2019 budget amendment to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board determined to amend the 2019 Operations Fund from \$156,220 to \$162,353.

Conduct Public Hearing on 2020 Budget and Consider Adoption of Resolution Adopting 2020 Budget

Director Bigley opened the public hearing for the 2020 budget. Ms. Murphy noted that the notice for the public hearing was made in accordance with the applicable Colorado statutes. No written objections were received prior to the public hearing. After no public comment was made, the public hearing was closed.

Ms. Pangindian presented the proposed 2020 budget to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the budget as presented, subject to receipt of the 2019 Final Assessed Valuation, and certified 20.382 in the General Fund and 55.663 in the Debt Service Fund.

The Board directed legal counsel and the District's accountant to certify the District's mill levy by December 15, 2019, and to file the 2020 budget by January 30, 2020.

Discuss Dissolution of Hawthorn Metropolitan District No. 1

The Board engaged in general discussion. Following discussion, the Board decided to not allocate funds to the dissolution of District No. 1 in 2020.

Discuss 2020 District Management Contract (Executive Session for the purpose of receiving legal advice on specific legal questions pursuant to § 24-6-402(4)(b), C.R.S. and determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators pursuant to § 24-6-402(4)(e), C.R.S.

Upon motion by Director Bigley, seconded by Director Fenton, and upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 3:39 p.m. for the purpose of receiving legal advice pursuant to §24-6-402(4)(b), C.R.S.; and determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and 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 attorney, constitutes privileged attorney-client communication pursuant to § 24-6-402(4)(b), C.R.S.

Also 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 execution session.

The Board reconvened in regular session at 4:20 p.m. and instructed legal counsel to request that CLA honor their current contract price in January 2020. The Board will interview potential district managers in December and January with the intention of awarding a district management contract for 2020 at a special meeting in January.

## Legal Matters

Consider Adoption of Resolution Adopting a Park and Open Space Use Policy

Ms. Murphy presented the Board with the Resolution Adopting a Park and Open Space Use Policy for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution.

Consider Approval of Amended and Restated Resolution Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges

Ms. Murphy presented the Board with the Amended and Restated Resolution Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution.

Consider Adoption of 2020 Annual Administrative Resolution

Ms. Murphy presented the Board with the 2020 Annual Administrative Resolution for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution.

Consider Renewal of Property and Liability Schedule and Limits, Workers Compensation and SDA Membership

Ms. Murphy presented the Board with the Renewal of Property and Liability Schedule and Limits, Workers Compensation and SDA Membership for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously authorized legal counsel to bind insurance coverage for 2020.

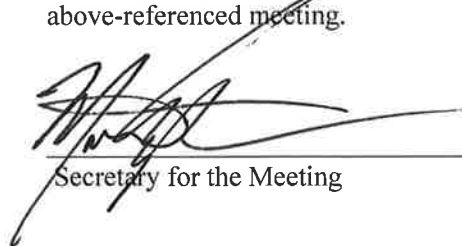
**Next Meeting**

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

**Adjournment**

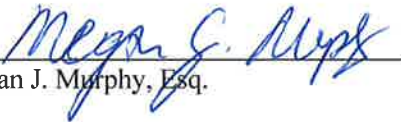
There being no further business to come before the Board, and following discussion and upon motion duly made, seconded and unanimously carried, the Board determined to adjourn the meeting.

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

  
Secretary for the Meeting

**ATTORNEY STATEMENT  
REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION**

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing Hawthorn Metropolitan District No. 2, I attended the executive session at the regular meeting of Hawthorn Metropolitan District No. 2 convened at 3:39 p.m. on December 2, 2019, for the purpose of providing legal advice on specific legal matters and determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators all pertaining to the 2020 district manager contract, as authorized by Section 24-6-402(4)(b), C.R.S and 24-6-402(4)(e), C.R.S.. I further attest it is my opinion that the executive session discussion constituted privileged attorney-client communications as provided by Section 24-6-402(4)(b), C.R.S. and, based on that opinion, no record, written or electronic was kept or required to be kept pursuant to Section 24-6-402(2)(b), C.R.S. or Section 24-6-402(2)(d.5)(II)(B), C.R.S.

  
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Megan J. Murphy, Esq.