

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

Held October 17, 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 "District") 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 - <i>Excused</i> Van Lewis Joan Beldock Kay Griffiths</p> <p>Also present for the District: Sean Allen, Esq., White, Bear Ankele Tanaka & Waldron, general counsel (by phone); Diane Wheeler, Simmons & Wheeler, P.C., District accountant (by phone); Larry Ransford and Barry McConnell.</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 approved by the Board.</p>
Minutes	<p>The minutes from the April 18, 2019, meeting was discussed. Following discussion, upon motion made and seconded, the Board approved the minutes.</p>
Community Reports	<p>Director Lewis gave the Board a general update on Metro Matters topics favorable to the community.</p>
Financial	
Financial Statements/Payment of Claims	<p>Ms. Wheeler summarized and presented the 2018 audit to the Board. Following discussion, upon motion duly made and seconded, the Board ratified the audit.</p> <p>Ms. Wheeler gave a summary of the financial statements dated September 30, 2019 and claims payable. After consideration of the financial statements and the current and interim invoices, and upon motion and second, the financial statements and claims were unanimously accepted and approved.</p>
2020 Budget Hearing/Consider Adoption of 2020 Budget Resolution	<p>Mr. Allen reported that the public hearing was published in accordance with Colorado Law in the <i>Aurora Sentinel</i> and noted that no written comments had been received prior to the meeting. The 2020 budget hearing was opened. After public comment, the hearing was closed. Ms. Wheeler presented the 2020 proposed budget. The Board discussed the mill levy and need for capital reserves. Mr. Allen</p>

presented the 2020 Budget Resolution to the Board. Upon motion and second, the Board adopted the resolution.

2019 Budget Amendment
Hearing/Consider adoption
of Resolution Amending
2019 Budget

Mr. Allen reported that the public hearing was published in accordance with Colorado Law in the *Aurora Sentinel* and noted that no written comments had been received prior to the meeting. The 2019 budget amendment hearing was opened. After public comment, the hearing was closed. Ms. Wheeler presented the proposed 2019 amended budget amending the enterprise fund from eight hundred fifty eight thousand (\$858,000) to one million (\$1,000,000). Mr. Allen presented the 2019 Budget Amendment Resolution to the Board. Following discussion, upon motion and seconded, the Board adopted the resolution.

Water Well Reserve
Funding Remaining Bonded
Project Fund

Director Rowland engaged in a general discussion regarding the need for reserves in case a water well fails and the remaining balance of bonded project fund .

Golf Course Operation Report

General Operations

The general operations report was presented by Mr. Ransford. Mr. Ransford informed the Board that Section 8 of the contract between the District and GCAT sets a monthly reserve limit for operation and payroll at twenty five thousand (\$25,00) and requests the reserve limit be increased to seventy thousand (\$70,000). Following discussion, upon motion and second, the Board approved the reserve amount increase.

Cobblestone HOA Safety
Net Proposal

Director Lewis noted that netting installations have been mentioned by HOAs due to concern over ball strikes from errant balls. The Board discussed that if an HOA submits a cost sharing proposal for the design, construction, and maintenance of a safety net, then the Board would evaluate any such proposal. It was noted that this needs to be a cost sharing and cooperative arrangement between the HOAs and the District/golf course. Director Lewis noted that this was discussed at the April 2019 meeting, and that the HOAs that have inquired about safety nets have been told they need to initiate a cost sharing proposal.

District Asset Management Report

Clubhouse Capital
Project/Expenditure &
Agreements Report; Ratify
AMI Mechanical Services
Contract (HVAC
Replacement); Ratify Men's
Locker Room Main Sewer
Contract (Rescue Rooter)

Mr. McConnell provided a summary regarding the roof repairs. The Board engaged in a general discussion regarding the AMI Mechanical Services Contract (HVAC Replacement) and the Men's Locker Room Main Sewer Contract (Rescue Rooter). Following discussion, upon motion duly made and seconded, the Board ratified both contracts.

Restaurant Operations

It was noted that the Restaurant operations are going well.

Security Patrol Report

Director Lewis provided general report and noted that there is a different security patrol level in the winter versus summer.

Miscellaneous

Discuss and Consider
Adoption of Resolution

Mr. Allen presented the Resolution Concerning Online Notice of Regular and Special Meetings. Following discussion, upon motion duly made and seconded, the

Concerning Online Notice
of Regular and Special
Meetings

Board adopted the resolution noting the District website to be hrcolo.org.

Discuss and Consider
Adoption of Resolution
Concerning May 2020
Director Election

Mr. Allen presented the Resolution Concerning May 2020 Director Election. Following discussion, upon motion duly made and seconded, the Board adopted the resolution.

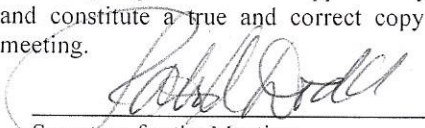
Consider Approval of
Property and Liability
Schedule and Limits

The Board reviewed the Property and Liability Schedule and Limits insurance renewals. Following discussion, upon motion duly made and seconded, the Board approved renewing insurance.

Next Regular
Meeting/Adjourn

Meeting adjourned.

The foregoing minutes were approved by the Board of Directors on April 16, 2020, and constitute a true and correct copy of the minutes of the above-referenced meeting.



Secretary for the Meeting