

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2 (THE "DISTRICT")
HELD
AUGUST 13, 2024

A regular meeting of the Board of Directors of the East Smoky Hill Metropolitan District No. 2 (referred to hereafter as the "Board") was convened on Tuesday August, 13, 2024, at 6:00 p.m., at the Smoky Hill Library, 5430 S. Biscay Circle, Centennial, Colorado 80015. This District Board meeting was also held via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors in attendance were:

Thomas Tanner, President
Connie Buhlke, Vice President
Bonnie Bowman, Treasurer
Laura Embleton, Secretary
Charlotte Faris, Assistant Secretary

Also, In Attendance Were:

Denise Denslow and Enid Ruiz-Mattei, CliftonLarsonAllen LLP ("CLA")
Trisha Harris; White Bear Ankele Tanaka & Waldron
Ben Randall; LMI Colorado

ADMINISTRATIVE MATTERS

Call to Order and Agenda:

The meeting was called to order at 6:00 p.m. by Director Tanner. The Board reviewed the agenda for the meeting. Following discussion, upon a motion duly made by Director Embleton, seconded by Director Buhlke and, upon vote, unanimously carried, the Board approved the agenda, as amended to include the addition of the proposal from LMI Colorado.

Disclosures of Potential Conflicts of Interest:

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. It was noted by Attorney Harris that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors, and no additional conflicts were disclosed at the meeting.

Quorum, Location of Meeting Posting of Meeting Notice:

The Board confirmed the presence of a quorum.

The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. The Board determined to conduct the meeting at the above-stated date, time and location, which is within 20 miles of the District. It was further noted that notice of the time, date and location was duly posted and that no objections to the location or any requests that the meeting place be changed by taxpaying electors within the District's boundaries have been received. This meeting was also conducted via Microsoft Teams and encouraged public participation via Microsoft Teams. The Board further noted that notice providing the time, date and video link information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed by taxpaying electors within the District's boundaries.

Public Comment:

There was no public comment.

CONSENT AGENDA

- Minutes of May 14, 2024 Regular Meeting
- Agreement Between OnePRO Services and the District for Replacement of Damaged Concrete Sidewalk Panels in Yakima and Lake Park in the amount of \$5,722.00
- Proposal from LMI Colorado for Revive Application to Turf in the amount of \$3,847.26

Director Tanner reviewed the Consent Agenda with the Board. Following review, upon a motion duly made by Director Embleton, seconded by Director Buhlke and, upon vote, unanimously carried, the Board approved/ratified approval of the Consent Agenda items, as presented.

LANDSCAPE UPDATE

Landscaping Activity:

Mr. Randall provided an update regarding landscaping activity to the Board, stating that the standard maintenance is in process.

Flowerscapes:

There was no update provided.

LMI Colorado:

Mr. Randall provided an overview of each proposal with the Board. He stated that the work being proposed is to enhance existing areas by replacing dead plant material, filling in gaps, or modifying an existing exercise area. Mr. Randall recommended that the shrub fertilization should become an annual application. He also noted that the second agenda item is for the large median by the school. Discussion ensued regarding the added agenda item that is to revamp the adult exercise area by removing turf and adding mulch, rock, and plant material.

Proposal from LMI Colorado for Shrub Fertilizer in the amount of \$1,647.36:

Following review, upon a motion duly made by Director Embleton, seconded by Director Buhlke and, upon vote, unanimously carried, the Board approved the proposal from LMI Colorado for shrub fertilizer in the amount of \$1,647.36, as presented.

Proposal from LMI Colorado for Removal and Replacement of Plant Materials Within Median on S Versailles Parkway and E Lake Place in the amount of \$11,706.56:

Following review, upon a motion duly made by Director Embleton, seconded by Director Buhlke and, upon vote, unanimously carried, the Board approved the proposal from LMI Colorado for removal and replacement of plant materials within median on S Versailles Parkway and E Lake Place in the amount of \$11,706.56, as presented.

Proposal from LMI Colorado for Revitalization of the Median with Plants and Mulch in the amount of \$1,789.19:

Following review, upon a motion duly made by Director Embleton, seconded by Director Buhlke and, upon vote, unanimously carried, the Board approved the proposal from LMI Colorado for revitalization of the median with plants and mulch in the amount of \$1,789.19, as presented.

Proposal from LMI Colorado for Revitalization of Corner of S Versailles St and S Wenatchee St in the amount of \$23,450.05:

Following review, upon a motion duly made by Director Embleton, seconded by Director Buhlke and, upon vote, unanimously carried, the Board approved the proposal from LMI Colorado for revitalization of corner of S Versailles St and S Wenatchee St in the amount of \$23,450.05, as presented.

Davey Tree:

No update was provided.

FINANCIAL MATTERS

June 30, 2024 Unaudited Financial Statements and Schedule of Cash Position:

Ms. Ruiz-Mattei reviewed the June Unaudited Financial Statements and the Schedule of Cash Position with the Board. She stated that property taxes are approximately 99% collected and specific ownership taxes are 71% collected. The budget to actual for expenditures is at approximately 50% and the funds in the Colotrust are receiving approximately 5.4% interest. Following discussion, upon a motion duly made by Director Buhlke, seconded by Director Bowman and, upon vote, unanimously carried, the Board accepted the June 30, 2024 Unaudited Financial Statements and Schedule of Cash Position, as presented.

Claims in the amount of \$141,784.40 and Director's Fees for the Period of May 10, 2024 to July 31, 2024:

It was noted that the claims should have been identified as a ratification rather than an approval, as claims went through the review and approval process in Bill.com. Following review, upon a motion duly made by Director Embleton, seconded by Director Bowman and, upon vote, unanimously carried, the Board ratified approval of the claims in the amount of \$141,784.40 and Director's fees for the period of May 10, 2024 to July 31, 2024, as presented.

Draft 2023 Audit:

Ms. Ruiz-Mattei noted that the auditor provided a clean, unmodified opinion. She provided a brief overview of the financials and reviewed some of the supplementary notes with the Board. The audit has been filed with all of the appropriate regulatory agencies. It was noted that the motion should be worded with "accept" versus "approval." Following review and discussion, upon a motion duly made by Director Embleton, seconded by Director Buhlke and, upon vote, unanimously carried, the Board accepted the draft 2023 Audit, as presented.

MANAGER MATTERS

Statutorily Required Documents Posted on Website and Remediation Services:

Ms. Denslow provided a brief update to the Board. Attorney Harris stated that the website is in good shape at the point.

BOARD MEMBER MATTERS

Management and Accounting Proposal from Westwind Management:

Attorney Harris provided an overview of her comments and will work with Westwind to finalize the agreement. Following discussion, upon a motion duly made by Director

Buhlke, seconded by Director Bowman and, upon vote, unanimously carried, the board approved the management and accounting proposal from Westwind Management, as presented, with a start date of October 1, 2024.

Director Tanner called attention to the note in the supplement of the Audit stating that the debt could be at an interest rate not to exceed 18%. He reminded the Board that the current rate is 1.5% and thanked the Board for doing a great job on the refinance that took place prior to him being seated on the Board.

LEGAL MATTERS

No legal matters were discuss.

OTHER BUSINESS

No other business was discuss.

ADJOURNMENT

There being no further business to come before the Board at this time, the meeting was adjourned at 6:49 p.m.

Respectfully submitted,

By 

Secretary for the Meeting