

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
HELD
SEPTEMBER 29, 2016**

A special meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 1 (referred to hereafter as "Board") was held on September 29, 2016 at the North Tree Ranch House, 6885 Vista del Pico, Colorado Springs, CO 80927 at 9:00 a.m. The meeting was open to the public.

Attendance

Directors in attendance were:

Bruce Rau
William Ritchie
Michael Tinlin
Aric Jones

Absent and excused was Director Chad Ellington.

Also in attendance were:

Cynthia Beyer; CliftonLarsonAllen LLP
Debbie Sedgeley; CliftonLarsonAllen LLP
Karen Oerter; MSI, LLC
Jerry Jacobs; Timberline District Consulting, LLC
Keith Woodring; GVR Landscape
Troy Craig; Resident
Don Knechtel; BLR MD No. 2 Board Member
Stacy Jensen; BLR MD No. 2 Board Member; Citizens Advisory Board (CAB)
Floyd Petty; BLR MD No. 3 Board Member
Michael Tinlin; BLR MD Nos. 4, 5, 7 & Regional Board Member
Scott Christian; YMCA
Heather Steinman; YMCA
Abigail Harlan; YMCA
Carl Raider; YMCA

Call to Order/
Agenda

Director Rau called the meeting to order at 9:00 a.m. and confirmed a quorum. Following review, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the agenda as amended.

Disclosure of
Potential Conflicts
of Interest

The Directors present noted for the record that they have financial interests in entities active in developing property within the boundaries of the District, or are employed by such entities, and

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that such interests may be affected from time to time by actions of the District's Board of Directors. In accordance with state law, the Directors have filed written disclosures describing such potential conflicts of interest with the Secretary of State, and the directors present verbally reaffirmed such disclosures on the record of this meeting.

Consent Agenda

The items listed below are a group of items to be acted on with a single motion and vote by the Board to expedite the handling of limited routine matters. The Board has received the information on these matters prior to the meeting. An item may be moved from the consent agenda to the discussion agenda, if desired. Items on the consent agenda are then voted on by a single motion, second, and vote by the Board.

- A. Review and Consider Approval of Minutes of the July 28, 2016 Special Meeting
- B. Review and Accept Unaudited Financial Statements as of July 31, 2016
- C. Ratify Approval of Prior Claims Totaling \$486,547.48
- D. Review and Consider First Amendment to 2016 Landscape Agreement with GVR

Upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the Consent Agenda.

Discussion Agenda

Community Comments

Mr. Craig presented his report to the Board

CAB Update

Ms. Jensen presented the CAB Report to the Board.

Financial Matters

- A. Review and Approve Audit for Fiscal Year 2015

Following discussion, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the Audit for Fiscal Year 2015.

Ms. Sedgeley reported that the Audits have been filed and the District had a clean Audit.

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Administrative Matters

A. Recreation Center Operations - YMCA Monthly Report – September, 2016

1. Discussion of Proposed YMCA Budget for 2017
2. Summary of Pool Season – Jess Ehler

Mr. Raider presented the YMCA Monthly Report. Ms. Steinman introduced Abigail Harlan to the Board. The YMCA presented for the Board's consideration the 2017 Proposed Budget. Director Rau suggested the YMCA staff have cross-training with the Oakwood Sales staff.

B. Landscape Maintenance Operations Report

1. Discussion of Proposed GVR Budget for 2017 for
Landscaping
2. Discussion of Proposed GVR Budget for 2017 for
Snow Removal
3. Discussion of Proposed GVR Budget for 2017 for
Landscaping Maintenance at Carriage House
4. Discussion of Proposed GVR Budget for 2017 for
Snow Removal at Carriage House

Mr. Woodring presented the Landscape Maintenance Operations Report to the Board. Mr. Woodring reported that the mowing season has been reduced and that fertilizer has been added to Filing 13 A. He also reported that 30 of the 60 tree replacements have been completed. Mr. Woodring reported that rock mulch will be put down on Dublin before the snow and that winterization will be completed in the next five weeks, so there may be water running.

In the 2017 Budget, GVR will be responsible for watering plants at Ranch House, including the pool.

C. Covenant Control Operations

1. Review Covenant Enforcement / Violation Log
2. Review Design Review Request Report
3. Discussion of Proposed MSI Budget for 2017
4. Consider Variance Request for 7308 Mountain Spruce
Drive

Ms. Oerter presented the Covenant Control Operations report to the Board. Ms. Oerter also presented a request for a van parking at 7308 Mountain Spruce Drive. The Board denied the request.

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D. District Manager's Report

1. Consider Proposal for Rec Center LED Conversion, ASG Energy, \$15,140
2. Consider Proposal for Miscellaneous Repairs, Tall Pines Builders
3. Security Guard Update
4. Review and Discuss Budget Priorities for 2017
 - a.) Security
 - b.) Pool
 - c.) 2017 Insurance Policy
 - d.) Resident Website
5. Set Public Hearing Date to Consider 2017 Budget, November 17, 2016

Ms. Beyer presented the District Manager's Report to the Board.

The Board set the public hearing to consider the 2017 budget for November 17, 2016.

E. Other

None.

Attorney Matters

- A. Executive Session pursuant to Sec 24-6-402(4)(B) to consult with legal counsel on a question of liability for storm events.

This item was removed from the agenda.

- B. Discussion of District No. 2 Debt and Refunding Option

Ms. Sedegley informed the Board that the bond proceeds will cover the bond issuance cost.

Director Matters

- A. Other

None.

Other Business

- A. Confirm Quorum for Next Meeting Date – November 17, 2016

A quorum was confirmed for the November 17, 2016 meeting.

Adjournment

Following discussion, with no further items to come before the Board, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board adjourned the meeting at 10:25 a.m.

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Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'Wm. M. A.', written over a horizontal line.

Secretary for the Meeting