

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
HELD
FEBRUARY 9, 2017**

A special meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 1 (referred to hereafter as the "Board") was held on February 9, 2017 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
Aric Jones

Absent and excused were Directors Chad Ellington and Michael Tinlin.

Also in attendance were:

Cynthia M. Beyer & Carrie Bartow; CliftonLarsonAllen LLP
Karen Oerter; MSI, LLC
Abigail Harlan and Jessica Wilson; YMCA
Jerry Jacobs; Timberline District Consulting, LLC
Keith Woodring; GVR Landscape
Stacy Jensen; BLR MD No. 2 Board Member; Citizens Advisory Board (CAB)
Don Knechtel; BLR MD No. 2 Board Member
Dallas Pierce; BLR MD No. 2 Board Member
Jason Brockman; BLR MD No. 2 Board Member
Floyd Petty; BLR MD No. 3 Board Member

Call to Order/
Agenda

Director Rau called the meeting to order at 9:20 a.m. and confirmed a quorum. Following review, upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the agenda as amended, adding the following items:

- Introduction of Mike DeGrant
- Variance Request for a Julianna Mini Pig
- Request for Damage Reimbursement

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 December 1, 2016 Special Meeting
- B. Review and Accept Unaudited Financial Statements as of November 30, 2016
- C. Ratify Approval of Prior Claims Totaling \$635,827.28

Ms. Bartow reviewed the Unaudited Financial Statements with the Board, noting that due to a reassessment of the property values, property tax revenues could drop by fifteen percent.

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

Discussion Agenda

Community Comments

None.

CAB Update

Ms. Jensen presented the CAB Report to the Board. Directors Jones and Ritchie will attend the next CAB meeting on March 13, 2017.

Financial Matters

- A. Review and Consider Approval of 2016 Audit Engagement Letter

Upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the 2016 audit engagement letter.

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B. Review and Consider Approval of CLA Accounting Services Engagement Letter Amendment

Upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the CLA Accounting Services Engagement Letter Amendment.

C. Review and Consider Approval of CLA Cash Access Addendum

Upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the CLA Cash Access Addendum.

D. Review and Consider Approval of CLA Payroll Preparation Services Addendum

Upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the CLA Payroll Preparation Services Addendum.

E. Discussion of Proposed Fee Increases for District No. 2 and District No. 3

Ms. Bartow discussed the proposed fee increases for District No. 2 and District No. 3. Director Rau indicated that the intent of the fee increases is to increase resident responsibility in the Districts and reduce the developer advance.

The Board asked for public comment regarding the fees. Ms. Jensen requested advance notice be given to residents prior to increased fees going into effect.

Upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board approved a fee of \$124.40 for District No. 2 and \$81.90 for District No. 3.

F. Other

Ms. Beyer requested clarification from the Board regarding the Landscaping Design Review Fee for landscape installations completed by Oakwood. She stated that the District does not do any review of these installations as the plans have been previously approved by the Design Review Committee.

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Upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved waiving the \$1,000 Landscape Design Review Fee where Oakwood will be doing the installation.

Administrative Matters

A. Recreation Center Operations – Abigail Harlan

Ms. Harlan presented her report to the Board. She stated that the YMCA Aquatics Director will provide a written explanation of the pool closing temperatures. Director Rau requested the YMCA provide an evaluation of the number of times the pools closed during YMCA management and evaluate the closing procedures with other communities.

Ms. Harlan stated there will be a meet and greet for the new director at the ranch House, Jessica Wilson, on February 22, 2017, and an Easter Egg Hunt on April 15, 2017.

B. Landscape Maintenance Operations Report – Keith Woodring

Mr. Woodring presented the Landscape Maintenance Operations Report to the Board, noting the rock improvements have been completed on Dublin.

Mr. Woodring indicated that GVR was seeking to have the payment amounts changed for the year for a prorated amount based upon the work being done by the District. The Board requested that the change in payments be incorporated into the contract for 2018.

C. Covenant Control Operations

1. Review Covenant Enforcement / Violation Log
2. Review Design Review Request Report
3. Review and Consider Approval of 2017 Covenant Control Services Contract with MSI HOA.
4. Consider Variance Request for Mini Pig
5. Consider Request for Damage Reimbursement for Kanit and Rachel Vararutna

Ms. Oerter presented the Covenant Control Operations reports to the Board.

Upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the 2017 Covenant Control Services Contract with MSI HOA.

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Upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the variance for a mini pig subject the following:

- The Owner must comply with the City of Colorado Springs laws regarding mini-pigs and pot belly pigs, see Colorado Springs Ord. No. 6.7.106 Animals Kept on Premises; Sanitary Requirements and Ord No. 6.7.110 Specific Animals Prohibited; Exception, as may be amended from time to time.
- This is a variance that can be revoked at any time if complaints are received or problems with the mini-pig.
- This residence will be limited to a total of two pets.

The request for damage reimbursement was tabled to the April meeting, to allow time for Director Ritchie to inspect the damaged areas.

D. District Manager's Report

1. Discuss Tennis Court Repairs
2. Letter to 6583 Bramble Bend Court
3. Discuss Mailbox Maintenance Repairs
4. Discuss Pool Gate Repairs
5. Consider Approval of Point and Pay Agreement

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

The Board tabled items 1 through 4 of the District Manager's matters.

Upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the Point and Pay Agreement.

E. Other

None.

Attorney Matters

None.

Director Matters

Director Rau briefly discussed the Gallagher Amendment and directed District Accountant to provide a explanation of Gallagher and its impact to the District at the next meeting.

Other Business

- A. Confirm Quorum for Next Meeting Date – April 27, 2017

The Board rescheduled the next meeting for April 28, 2017 at 9:00

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a.m.

Adjournment

Following discussion, with no further items to come before the Board, upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board adjourned the meeting at 10:30 a.m.

Respectfully submitted,



Secretary for the Meeting