

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
HELD
APRIL 26, 2018**

A regular meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 1 (referred to hereafter as the "Board") was held on April 26, 2018 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:

Josh Miller, Chelsea Gondeck, & Carrie Bartow;
CliftonLarsonAllen LLP
Pat Hrbacek; Spencer Fane LLP
Corey Pilato; MSI HOA, LLC
Samantha Reilly; YMCA
Floyd Petty; BLR MD No. 3 Board Member
Robert Zimmerman, Eric Keesen, JD Gillen, Shad Parish;
Brightview Landscape Services, Inc.
Mark Whittle & Thomas Garmon; Oakwood Homes
Stacy Jensen; 8098 Hollygrape Lane

Call to Order/
Agenda

Director Rau called the meeting to order at 9:02 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 presented.

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 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

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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 November 8, 2017 Special Meeting
- B. Review and Accept Unaudited Financial Statements as of March 31, 2017
- C. Ratify Approval of Prior Claims Totaling \$1,116,246.65
- D. Ratify Approval of Management Agreement between Banning Lewis Ranch MD No. 1 and MSI, LLC
- E. Ratify Approval of GVR Landscape Snow and Ice Management Services Agreement Extension through February 28, 2018
- F. Ratify Approval of Agreement for Roof Repair Services with All Phase Restoration, Inc.
- G. Ratify Approval of 2018 Landscape Agreement with Brightview Landscape Services
- H. Ratify Approval of Playground Repairs – ColoradoScapes

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

Discussion Agenda

Community Comments CAB Update

None.

Ms. Jensen presented the CAB Report.

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Ms. Jensen outlined on-going landscape concerns with the residents. Ms. Jensen requested that meeting agendas be made available on the District website and asked that there be a check on the accuracy/percentage of errors of the notices MSI sends to residents. Ms. Jensen suggested Guest Parking requests that can be provide to MSI to avoid the errors on vehicle notices.

Mr. Rau requested that CLA follow-up on each of the action items in the CAB Report and provide a detailed response at the next Board meeting.

Financial Matters

A. Approval of 2017 Audit

This item was tabled.

Ms. Bartow provided a staffing update to the Board.

Administrative Matters

A. Recreation Center Operations – Samantha Reilly

Ms. Reilly presented her report to the Board.

B. Landscape Maintenance Operations Report – Brightview

1. Annual Flower Bed Proposal
2. Tree Replacement Proposal

JD Gillen presented the Landscape Maintenance Operations Report to the Board. The Director discussed the affordability of the proposals and assured the Board that there were funds available in the budget.

Upon a motion duly made by Director Jones, seconded by Director Ritchie and, upon vote, unanimously carried, the Board ratified approval of the Annual Flower Bed and Tree Replacement Proposals.

C. Covenant Control Operations Report - MSI

Ms. Pilato presented the Covenant Control Operations report to the Board. Ms. Pilato stated that any errors in violation notices can be addressed with her and she is willing to tack errors moving forward.

Director Rau questioned the ability to detail the number of communications with individual homeowners.

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An audience member questioned the Design Review timeline.

Mr. Miller stated that he will follow up on the process required for changing the parking covenant.

Manager Matters A. District Manager's Report

Mr. Miller presented the District Manager's Report to the Board.

B. Approval of the Third Amendment to Community Center Management and Services Agreement with the YMCA

Following discussion, upon a motion duly made by Director Jones, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the Amendment to the Community Center Management and Services Agreement with the YMCA.

C. Discuss and Consider Variance Committee Appointments

Mr. Miller stated he would bring an update to the Board at the next meeting on the committee appointments to include the District Manager, a Board Member, and Corey Pilato with MSI.

D. Approval of Reserve Study

Following discussion, upon a motion duly made by Director Jones, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the Reserve Study.

E. Approval of ADA Push Buttons

Following discussion, upon a motion duly made by Director Jones, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the ADA Push Buttons.

F. Approval of Ranch House Parking Lot Resurfacing.

This item was tabled.

G. Other

None.

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Attorney Matters

A. Update on 8216 Mahogany Court

None.

B. Approval of First Amendment to District Facilities Agreement between Banning Lewis Ranch MD No. 1 and Banning Lewis Ranch MD No. 3

Mr. Hrbacek reviewed the First Amendment to the District Facilities Agreement with the Board.

Following discussion, upon a motion duly made by Director Jones, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the Amendment.

C. Termination of Intergovernmental Agreement between Banning Lewis Ranch MD No. 1 and Banning Lewis Ranch Regional MD

Mr. Hrbacek presented the Termination of Intergovernmental Agreement between Banning Lewis Ranch MD No. 1 and Banning Lewis Ranch Regional MD to the Board.

Following discussion, upon a motion duly made by Director Jones, seconded by director Ritchie and, upon vote, unanimously carried, the Board approved the Termination of the IGA between Banning Lewis Ranch MD No. 1 and Banning Lewis Ranch Regional MD, pending final review and contingent upon entering into a new IGA.

D. Status of Wastewater Agreement with Colorado Springs Utilities and Related Matters

Discussion ensued regarding the related items involving the amendment to BLR Annexation Agreement (noting that the BLR Districts are not signatories to this agreement) that was brought before City Council; the second amended and restated service plan for the Regional District that is scheduled to be brought before City Council; and the wastewater agreement that is also scheduled to be brought before City Council.

Following discussion, upon a motion duly made by Director Jones, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved termination of the

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wastewater agreement between Banning Lewis Ranch MD No. 1 and Colorado Springs Utilities.

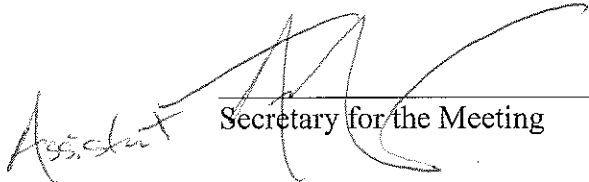
Director Matters None.

Other Business A. Confirm Quorum for Next Meeting Date – August 2, 2018

The Board confirmed a quorum for August 2, 2018 at 9:00 a.m.

Adjournment Following discussion, with no further items to come before the Board, upon a motion duly made by Director Jones, seconded by Director Ritchie and, upon vote, unanimously carried, the Board adjourned the meeting at 10:13 a.m.

Respectfully submitted,


Secretary for the Meeting