

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 1 HELD SEPTEMBER 18, 2018

A Regular Meeting of the Board of Directors (referred to hereafter as the "Board") of the Denargo Market Metropolitan District No. 1 (referred to hereafter as the "District") was held on Tuesday, 18th day of September, 2018, at 4:30 p.m., at The Marq at RiNo, 2797 Wewatta Way, Denver, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Donald D. Cabrera
Todd T. Wenskoski
Jason M. Mitchell

Following discussion, upon motion duly made by Director Wenskoski, seconded by Director Cabrera and, upon vote, unanimously carried, the absences of Directors Abrams and Metzger were excused.

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

Paula Williams, Esq.; McGeady Becher P.C.

Chase Hill; Cypress Advisors (for a portion of the meeting only)

Bill Valaika; DAE Group LLC (for a portion of the meeting only)

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State. Attorney Williams noted that disclosures of potential conflicts of interest statements for each of the Directors had been filed with the Secretary of State seventy-two hours in advance of the meeting. Ms. Finn requested that the Directors consider whether they had any additional conflicts of interest to disclose. It was noted for the record that there were no additional disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statutes.

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ADMINISTRATIVE MATTERS

Agenda: Ms. Finn reviewed with the Board a proposed Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director Wenskoski, seconded by Director Cabrera and, upon vote, unanimously carried, the Agenda was approved, as amended.

Approval of Meeting Location: 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.

Following discussion, and upon motion duly made by Director Wenskoski, seconded by Director Cabrera and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries. The Board further noted that the location of the regular meeting is within a 20-mile radius of the boundaries of the District.

Minutes: The Board reviewed the Minutes of the June 19, 2018 Regular Meeting.

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Wenskoski and, upon vote, unanimously carried, the Board approved the Minutes of the June 19, 2018 Regular Meeting.

Acting President: The Board discussed the need to appoint an acting President for this meeting only.

Following discussion, upon motion duly made by Director Cabrera, seconded by Director Mitchell and, upon vote, unanimously carried, the Board appointed Director Wenskoski as Acting President for this meeting only.

Public Comment: There was no public comment.

Consent Agenda: There were no Consent Agenda items.

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims as follows:

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Fund	Period Ending July 31, 2018	Period Ending Aug. 31, 2018
General	\$ 28,213.70	\$ 12,459.59
Debt Service	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-
Total	\$ 28,213.70	\$ 12,459.59

Following review and discussion, upon motion duly made by Director Wenskoski, seconded by Director Cabrera and, upon vote, unanimously carried, the Board ratified approval of the payment of the claims, as presented.

The Board then considered approving the payment of claims for the period ending September 30, 2018 as follows:

General Fund	\$ 10,651.97
Debt Service Fund	-0-
Capital Projects Fund	-0-
Total Claims:	\$ <u>10,651.97</u>

Following discussion, upon motion duly made by Director Wenskoski, seconded by Director Cabrera and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending September 30, 2018.

Unaudited Financial Statements: Ms. Finn reviewed with the Board the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers for the period ending June 30, 2018 and the schedule of cash position as of June 30, 2018.

Following review, upon motion duly made by Director Wenskoski seconded by Director Mitchell and, upon vote, unanimously carried, the Board accepted the unaudited financial statements were accepted for the period ending June 30, 2018 and the schedule of cash position as of June 30, 2018, as presented.

Accounting Services: Ms. Finn reviewed with the Board a proposal from CliftonLarsonAllen LLP for accounting services.

Following review, upon motion duly made by Director Cabrera seconded by Director Wenskoski and, upon vote, unanimously carried, the Board approved the proposal from CliftonLarsonAllen LLP for accounting services, for a not-to-exceed budgeted amount for standard accounting services. Any fees above the budgeted amount will need prior approval by the Board.

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2019 Budget: The Board entered into discussion regarding appointment of the District Accountant to prepare the 2019 Budget and setting the date for a Public Hearing to adopt the 2019 Budget.

Following discussion, upon motion duly made by Director Cabrera, seconded by Director Wenskoski and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2019 Budget and set the date for a Public Hearing to adopt the 2019 Budget for November 20, 2018 at 4:30 p.m., at The Marq at RiNo, 2797 Wewatta Way, Denver, Colorado.

LEGAL MATTERS

License Agreement with Apartment Building Owners: Attorney Williams reported to the Board that obtaining License Agreements from the property owners is on-going.

CAPITAL

Status of Repair Work: The Board entered into discussion regarding the status of repair work by Mill Creek Residential and release of deposit. Ms. Finn noted that repair work is close to being completed.

Request from Cypress Advisors: Messrs. Hill and Valaika addressed the Board regarding the construction of a new apartment building and the need for additional storm drainage improvements to serve the property. Mr. Hill presented a request for the installation of an underground vault and indicated that the City and County of Denver (the "City") is asking the District to take a position of the storm drainage system that is currently owned and maintained by the City. The Board asked that Mr. Hill go back to the City to inquire as to whether the City will approve the plans if the District does not agree to take ownership and maintenance responsibility for the storm drainage system. No action will be taken until the City's position with regard to this matter is confirmed. The Board further directed Mr. Hill to find out the costs to maintain the vault and drainage system as well as what reserves would be necessary for capital replacement. Following discussion, the Board requested additional information from Cypress Advisors concerning the storm drainage improvements.

Construction Activity Permit: The Board advised Messrs. Hill and Valaika that they would need to obtain a Construction Activity Permit from the District for the project. Ms. Finn and Mr. Cabrera were directed to provide a dollar amount of the permit to Mr. Hill. It was noted that any fees charged by the City for street closures, etc. should be charged by the District.

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Ms. Finn recommended to the Board that the District should engage a security company to impose fines for violations of the Construction Activity Permit. The Board deferred discussion until the next Board meeting.

Permit Fee for Cross Creek: The Board enter into discussion concerning an increase of the permit fee for Cross Creek.

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Cabrera and, upon vote, unanimously carried, the Board approved an increase to the Construction Activity Permit Fee for Cross Creek to \$10,000, and that the District would also charge for any fees charged by the City.

Modification to the District Rules and Regulations: Ms. Finn addressed the Board regarding the need to modify the District's Rules and Regulations to allow the District's fees to be adjusted up and down based on the amounts charged by the City. District Counsel was directed to review the provisions set forth in the District's current Rules and Regulations.

OPERATIONS AND MAINTENANCE

Striping of District Curbs: The Board deferred discussion, noting that the District does not have funds for this project.

2018/2019 Towing Services: Ms. Finn recommended to the Board that the District terminate its current Agreement with Parking Authority, LLC and enter into a new Service Agreement with Wyatt's Towing.

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Cabrera and, upon vote, unanimously carried, the Board authorized the termination of the Agreement with Parking Authority, LLC and approved the Service Agreement between the District and Wyatt's Towing, effective November 4, 2018.

Request for Fencing around the Grassy Area: Ms. Finn presented to the Board a request/petition for a dog park and the installation of a fence around the grassy area. Ms. Finn noted that according to the City, the open space area is not zoned a "park" so an amendment to the landscaping plan might be required. Ms. Finn also reported that she has received reports from pedestrians being bit by dogs off leash. Following discussion, the Board noted that there are currently no funds available for this request but would reconsider once the 2019 budget has been presented to the Board. The Board also requested that additional signage be posted in the open space area concerning "leash laws".

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Detention Pond Work: The Board entered into discussion regarding the status of the detention pond repair work.

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Cabrera and, upon vote, unanimously carried, the Board authorized the repair work, in an amount not to exceed \$10,000.

Service Agreement for 2019: Ms. Finn discussed with the Board obtaining proposals for 2019 operation and maintenance services from the contractors listed below:

- Landscape Maintenance – Arrowhead Landscape Services, Inc.
- Snow Removal – JPL Cares
- Site Lighting – Colorado Lighting Inc.
- Construction Management Services – Triunity Engineering & Management, Inc.
- Locate Services – Diversified Underground, Inc.

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Cabrera and, upon vote, unanimously carried, the Board authorized Ms. Finn to obtain proposals for 2019 operation and maintenance services from the contractors listed above and to prepare service agreements for approval by the Board.


OTHER MATTERS

Security Services: The Board discussed security services for the District. Ms. Finn noted that the District does not currently have a contract for security services. Following discussion, the Board determined to revisit this matter once additional construction within the District commences.

ADJOURNMENT


There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,


By  _____
Secretary for the Meeting

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THESE MINUTES ARE APPROVED AS THE OFFICIAL SEPTEMBER 18,
2018 MINUTES OF THE DENARGO MARKET METROPOLITAN DISTRICT
NO. 1 BY THE BOARD OF DIRECTORS SIGNING BELOW:



Kate E. Abrams




Donald D. Cabrera



Todd T. Wenskoski

Jason M. Mitchell



Daniel V. Metzger