

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

CONIFER METROPOLITAN DISTRICT

Held: July 17, 2019, at 1:00 P.M., at 2154 East Commons Avenue, Suite 2000, Centennial, Colorado

ATTENDANCE

The meeting was held in accordance with the laws of the State of Colorado. The following directors were in attendance:

Ed Cordes (Receiver)

Also present were: Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; Mike Staheli, Cordes & Company, District Secretary; Angela Kelly, Association Manager for the Conifer Water and Sanitation Association; and Chuck Newby and Grace Coveau, members of the public.

ADMINISTRATIVE MATTERS

Call to Order

The meeting was called to order.

Declaration of Quorum and Confirmation of Director Qualifications

Ms. Tanaka noted that a quorum for the Board was present and that the Order Appointing the Receiver to act on behalf of and as the Board remains in full force and effect.

Reaffirmation of Disclosures of Potential or Existing Conflicts of Interest

Ms. Tanaka advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Tanaka reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Tanaka noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Board determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Approval of Agenda

Ms. Tanaka presented the Board with the proposed agenda for the meeting. Upon motion duly made by Mr. Cordes, the Board unanimously approved the agenda as presented.

CONSENT AGENDA

The Board was presented with the consent agenda items. Upon motion duly made by Mr. Cordes, the Board unanimously took the following actions:

- a. Approved the Minutes from November 28, 2018 Special Meeting
- b. Adopted Resolution No. 2019-07-01: Designating 24-Hour Posting Location
- c. Ratified the Temporary License Agreement with Hayward Baker, Inc., for Tree Mitigation
- d. Accepted the Financial Statements as of April 30, 2019
- e. Ratified the Consultant Payment Agreement with Foothills Housing 1, LLC

PUBLIC COMMENT

Mr. Newby introduced himself and noted he represents the Conifer & South Evergreen Community Committee (the “Committee”) and reported that he submitted written questions to the District and would like written responses to the questions raised. A copy of the Comments and Questions are attached to these minutes.

Mr. Staheli noted that he has responded to multiple requests for information and inquiries over the last year from Mr. Newby and many of the questions raised in the Comments and Questions were already addressed in the past but Mr. Staheli noted that there are additional questions that can be addressed at the meeting to provide responses.

Mr. Cordes inquired into what the nature of the concerns are so he can understand Mr. Newby’s perspective. Mr. Newby noted that he has concerns with water quality, the location and time of the meetings for public participation, notices in terms of water quality should be posted in areas where they can be posted for the public to see, and he would like to see a website for the District to post information and documents. Mr. Cordes inquired into why there were concerns since the District does not provide water service or any service to their properties. Ms. Coveyeau noted she believes the water is impacting her property and well. Mr. Newby noted he was successful in opposing the Conifer Heights subdivision approvals. A proposal referred to as Light Lane is also in the works and the Community Committee is concerned with this project as well noting the wastewater would be discharged into a recharge gallery that would leak onto their property. Mr. Staheli reviewed the reporting requirements required by the Colorado Department of Public Health and Environment (“CDPHE”) and noted that the District complies with these requirements and many reports requested are on file with the CDPHE.

Mr. Staheli reviewed the Comments and Questions posed and responded to each as follows:

1. The District holds meetings at the current time and location for the convenience of the Receiver and in order to control costs. The meeting location and time will stay as is for the time being.
2. The District interacts with Mr. Rein regularly on the status of corrective actions. Test results from the District's facilities are provided directly to the CDPHE and are on file with the CDPHE for public inspection.
3. The District interacts with Mr. Rein regularly on the status of the District's efforts to meet the standards required by the CDPHE. Test results from the District's facilities are provided directly to the CDPHE and are on file with the CDPHE for public inspection.
4. There are currently two developments proposed near the District and the District is in support of these developments as they would help fund the District's facilities which help lower costs to customers. The District wants development and supports that because it makes financial sense for the District. The 500,000 gallon water tank is primarily for fire suppression but the tank needs more circulation which requires more users. The District has a reimbursement agreement with Foothills Housing I, LLC for services associated with development services for Light Lane.
5. There are 4 zones for the recharge gallery. One has challenges but the other 3 accommodate the reuse without refusal.
6. The District performs regular repairs as a part of its ongoing operations and maintenance. The District is not performing repairs on the wall. These are being done by the County and property owners.
7. The District does not have a desire to spend money reporting to non-District customers, owners and residents. The District has no extra funds available for this. The District will look into low cost methods for the development of a website and consider this at the next meeting.
8. The District has previously given Mr. Newby full access to its historic files for the inspection and copies were taken of items of interest. All of the maps and drawings that are available to the District have been inspected by Mr. Newby.
9. The County reviewed these at some point and may have copies of additional information including as-built surveys and maps. The CDPHE may also have copies. The District does not have copies of these documents.
10. The District complies with Colorado law for posting of

notices and notices were posted accordingly.

11. Same as Item 10.
12. The District will not spend money at this time on a notice box.
13. With respect to Well #1, the well is not operational or improved and is not hooked up to any other improvements.

Mr. Newby inquired into when the Receivership is scheduled to be terminated. Mr. Cordes noted he is on as long as is needed and as long as the court needs but there is no scheduled end date known at this time.

Mr. Newby inquired into whether people can be appointed to the Board. It was noted that a person is required to be an eligible elector of the District in order to be on the Board and there is only 1 current eligible elector within the District. Colorado law requires that Board members be eligible electors in order to be appointed to the Board. As soon as there are eligible electors who are interested in serving and request appointment, they will be considered for appointment to the Board. Mr. Staheli noted he would like to get more people involved in the Board but noted the qualification issues have been the biggest challenge.

Mr. Newby noted that he and the Committee are not anti-development but want smart development and they want information to help all parties understand the issues at play.

Ms. Covyeau noted the Elk Creek Fire Protection District protects her property and the District's property as well. There is one firefighter for the full area who makes very little. Equipment is old and needs to be repaired. She requested that the District allow her to use the rail to erect a banner for the election requesting a mill levy increase. Mr. Staheli noted that she needs to ask Safeway as it is their railing. It would only be for the three weeks before the election. The Board will consider the request and respond in the near future.

FINANCIAL MATTERS

Public Hearing on 2018
Budget Amendment and
Adoption of Resolution No.
2019-07-01

Mr. Cordes opened the public hearing on the 2018 budget amendment. Ms. Tanaka noted that the notice of hearing was published in accordance with Colorado law and no written objections were received. Mr. Staheli reviewed the budget amendment with the Board. There being no public comment, the public hearing was closed.

Upon motion of Mr. Cordes, the Board unanimously approved the budget amendment and adopted Resolution No. 2019-07-01.

2018 Audit

Mr. Staheli reviewed the 2018 draft audit with the Board and noted that the auditor is prepared to issue a clean, unqualified opinion, which is the best opinion that can be given.

Upon motion of Mr. Cordes, the Board unanimously accepted the 2018 audit and approved the execution of the Client Representation Letter.

Change of Reporting Requirements under Series 2015 and 2016 Bonds to Annually

Ms. Tanaka reported that the Continuing Disclosure Agreements for the Series 2015 and 2016 Bonds both require semi-annual reporting and noted the request to change this to annual reporting.

Upon motion of Mr. Cordes, the Board unanimously directed Ms. Tanaka to formally request consent to this modification from Mr. Kelley as the bondholder of the Series 2015 and 2016 Bonds.

WATER AND WASTEWATER OPERATIONS MATTERS

Landscape Maintenance of Street Rights-of-Way

Mr. Staheli reported that the sales tax revenues can be used for transportation and street improvements. Mr. Staheli has two proposals for landscape maintenance for \$1,500 for some minor improvements and desires to move forward with Green Seen Landscaping & Property Maintenance Company. Mr. Cordes directed Mr. Staheli to move forward as recommended and approved the Independent Contractor Agreement, subject to finalization.

LEGAL MATTERS

Receivership Update

Mr. Cordes recommended that Mr. Staheli replace him a Receiver for the District due to health conditions. Mr. Cordes directed legal counsel to file the necessary paperwork to substitute the Receiver.

Mr. Staheli and Mr. Cordes provided an update on development and operations within the District.

EXECUTIVE SESSION

None.

OTHER BUSINESS

Next Meeting Date

The next regular meeting is scheduled for November 19, 2019, at 1:00 P.M.

ADJOURNMENT

There being no further business to be conducted, the meeting was adjourned.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.



Secretary for the Meeting

COMMENTS AND QUESTIONS FROM CONIFER AND SOUTH EVERGREEN
COMMUNITY COMMITTEE

Before the Conifer Metropolitan District Public Meeting Comments from Conifer & South Evergreen Community Committee

July 10, 2019

Regarding the current operations of the Conifer Metropolitan District (“the District”), the Conifer & South Evergreen Community Committee (“the Committee”) submits the following comments:

1. The present public meeting is being held at a time and location that is inconvenient to the Conifer area community — in Centennial, Colorado at 1:00 PM — thereby discouraging active community participation. Therefore, the Committee requests that, in future, the District hold its public meetings at a venue within the Conifer area no earlier than 6:00 PM on a normal business day.
2. Regarding the corrective actions with respect to the water rights managements, accounting, and reporting required by Colorado State Water Accounting Specialist Mr. Luke Rein in his May 30, 2018 letter to the District’s vendor Jehn Water Consultants, Inc. entitled “RE: NOTICE OF ACCOUNTING REVIEW FOR THE WATER RIGHTS AND ACCOUNTING ASSOCIATED WITH THE CONIFER METROPOLITAN DISTRICT, CASE NOS. 01CW161 & 10CW233”, the Committee requests detailed information related to the District’s compliance efforts and results to date.
3. The Committee requests detailed information regarding the District’s continued efforts to comply with drinking water and wastewater treatment requirements under Colorado Regulations 11 and 22, respectively, including but not limited to efforts relating to compliance with Maximum Contaminant Level (MCL) for:
 - a) Total Trihalomethanes (TTHM)
 - b) Total Dissolved Solids (TDS)
 - c) Total Phosphorus
 - d) Total Chlorides
4. With respect to proposed Conifer area developments, outside the boundary of the District, the Committee requests information related to negotiations for utilization of District facilities, including but not limited to, for drinking water treatment; wastewater treatment; use of current recharge galleries; connection to and use of the on-site 500,000 drinking water tank for firefighting efforts; or newly constructed facilities.
5. From time-to-time, the District’s recharge galleries have been known to refuse treated wastewater intended for aquifer recharge. The Committee requests information as to the performance of each of the four recharge gallery arms.
6. In recent months, the District has undertaken certain projects to repair its infrastructure, the Committee requests detailed information related to each of these projects as they are started and completed, specifically:
 - a) Infrastructure to be repaired / upgraded;

- b) Reason for repair / upgrade; and
 - c) Repair / grade completion results.
7. The Committee requests that the District create a website where a FAQ, public notices, and other District information of interest to the community can be posted.
 8. Regarding the District's water infrastructure (wells and raw water pipelines, water storage tanks and drinking water pipelines, sewage lines, infiltration galleries and storm water drainage lines) do you have as built maps/drawings in digital or paper form?
 9. Have the maps/drawings in item 8 above been released to other agencies, if so what agencies?
 10. Under "Contacts" from this link to "Conifer Metropolitan District" filings webpage at <https://dola.colorado.gov/>, it is stated:
"Notices of board meetings are posted at the northeast corner of the intersection of Main Street and Conifer Town Center Drive."
However, as of 1:30 PM, July 7, 2019 no evidence of any posting of meeting nor any evidence of a permanent bulletin board at northeast corner of intersection of Main Street and Conifer Town Center Drive. We did also check the unidentified street junction with Main Street next to the Safeway gas station. Is the District planning to give this required public notice before the meeting on July 17, 2019?
 11. If the answer in item 10 above is "no", does lack of required public notice open the District's meeting to a challenge of being invalid under Colorado law?
 12. Will the District provide a permanent, glass-fronted, locked bulletin board, for official announcements and required postings by regulatory agencies (such as total trihalomethane warnings) for the District somewhere along the covered sidewalk of one of the stores in the main area of the shopping center in such a way that the public has an actual chance of seeing, beyond what you are currently doing so on the door to the wastewater treatment plant and the door to the water tank area?
 13. On July 7, 2019, visual inspection of the well head of Well #1 (located behind the Safeway store) shows that the well cap (we are uncertain if the "sanitary seal" has been breached or not) is only held on by two bolts. Will the District place additional bolts to properly secure the well cap?

Respectfully submitted,

Conifer & South Evergreen Community Committee