



**NOTICE OF HGMD BOARD OF DIRECTORS REGULAR MEETING**  
**November 18, 2021 at 1:00 PM**

Pursuant to Section 24-6-402(2)(c), C.R.S., the Board of Directors of the Heather Gardens Metropolitan District, hereby gives notice that it will hold a regular meeting via Zoom videoconference at **1:00 PM on November 18, 2021**. The business meeting will be held for the purpose of conducting such business as may come before the Board. This meeting is open to the public.

**Join Zoom Meeting**

<https://zoom.us/j/98415467819?pwd=U1EvZzc4NjQydnVJQm5zcUF3Y3k1dz09>

**Meeting ID: 984 1546 7819**

**Password: 480716**

**or**

**Dial-In Number: +1 346 248 7799 US**

**AGENDA**

1. Determine quorum present
2. Call meeting to order
3. Approval of/additions to/deletion from agenda
4. Approval of Minutes
  - a. Consider Approval of Minutes of October 14 Special Meeting
5. Reports of Directors, committees, and professional consultants
  - a. President's Report (Funk)
  - b. CEO (Rea) – November 16, 2021 Report
  - c. Clubhouse/Restaurant Committee – November 9, 2021 Report
  - d. Foundation Committee (Laubach) – November 10, 2021 Report
  - e. Golf Committee (George) – November 9, 2021 Report
  - f. Property Policy Committee (Funk) – No Meeting
  - g. Joint Long Range Planning Committee (Funk) – No Meeting
  - h. Treasurer's Report (Archambault) – November 2021 Report
  - i. Joint Budget and Finance Committee (Archambault) – November 15, 2021
6. Unfinished Business
7. New Business
  - a. Consider Ratifying Clubhouse Replacement of two Hot Water Storage Tanks
  - b. Consider Purchasing Golf Course South Lake Fountain with Lights and North Lake Lights
  - c. Consider Repairing Golf Bridge
  - d. Consider Accepting the Revisions to the Heather Gardens Foundation Procedure Memorandum F-1
  - e. Consider Accepting the Revisions to the Joint Budget and Finance Procedure Memorandum B-3
  - f. Consider Using Foundation Funds for Clubhouse Christmas Tree
  - g. Consider Using Foundatoin Funds for the Roads and Grounds Project
8. Open Forum – Public comment (time limit-3 minutes per person)
9. Adjournment

**Note:** HGMD regular Board meetings, when held, are on the third Thursday of each month at 1:00 PM. Residents wishing to speak on agenda items will be given the opportunity at the time the item is discussed (time limit-3 minutes per person).

**The regular December 16 meeting is canceled. The next meeting will be a special meeting held Thursday, December 23 at 1:00 PM to accommodate committee scheduling.**

**HEATHER GARDENS METROPOLITAN DISTRICT  
SPECIAL MEETING  
Thursday, October 14, 2021**

The special meeting of the Board of Directors of the Heather Gardens Metropolitan District was held via Zoom/Telephone in the office of the District, 2888 S. Heather Gardens Way, Arapahoe County, Colorado, on Thursday, October 14, 2021 at 10:00 A.M.

**CALL TO ORDER:** President Funk called the meeting to order at approximately 10:03 A.M. on Thursday, October 14, 2021. A quorum was present.

**BOARD MEMBERS PRESENT:** President David Funk, Vice President Michael George, Treasurer and Secretary William Archambault, and Directors Eloise Laubach and Maria Mines.

**BOARD MEMBERS ABSENT:** None

**STAFF PRESENT:** Chief Executive Officer (CEO) Jon Rea, Chief Operations Officer (COO) Jason Altshuler, Chief Financial Officer (CFO) Jerry Counts, and Board Assistant Evelyn Ybarra.

**GUESTS PRESENT:** Jennifer Ivey, Icenogle Seaver Pogue, P.C., five members of the Heather Gardens Association Board, Lynn Donaldson with Heather 'n Yon, and approximately 23 members of the public were present.

**APPROVAL OF MINUTES:** Motion made by Director Laubach and seconded by Vice President George and passed unanimously to approve the minutes of the August 19, 2021 Regular Meeting as written.

**REPORTS OF DIRECTORS, COMMITTEES, AND PROFESSIONAL CONSULTANTS:**

**President Report:** President Funk commented the primary focus of today's meeting is the budget. Most of the committees did not hold a meeting a September.

**Chief Executive Officer (CEO) Report:** The Board received a copy of the CEO's Statement of Work and the Third Quarter Report. CEO said that an offer was extended for the Clubhouse Manager position. Montrell Anthony has accepted and will begin on October 21. He has the experience and BS in recreational management. Director Mines asked if there is an update on the Assistant Manager position for the Clubhouse. CEO explained that several resumes have come through. He plans on scheduling interviews and involving Mr. Anthony in the interviewing process. There were no further questions or comments.

**Clubhouse/Restaurant Committee:** No Meeting.

**Foundation Committee:** No Meeting.

**Golf Committee:** No Meeting.

**Property Policy Committee:** President Funk provided an update that the sealcoat and painting has been completed on the RV parking lot. There were some issues on a crack seal and joints that are being worked on later this week which is not unusual for a project this size. There were no questions or comments.

**Joint Long Range Planning Committee:** No Meeting.

**Treasurer's Report:** The Board received a copy of the Treasurer's Report. Treasurer and Secretary Archambault dialed-in during the meeting and was unable to go over any information at this time.

**Joint Budget and Finance Committee:** The Board received a copy of the Joint Budget and Finance Report.

**UNFINISHED BUSINESS:**

**NEW BUSINESS:**

**a.) Motion to accept the Heather Gardens Metropolitan District 2022 Budget:**

Motion made by Treasurer and Secretary Archambault and seconded by Director Mines and passed unanimously.

Text of Motion: Based upon the recommendation of the Heather Gardens Budget and Finance Committee, I move that the Heather Gardens Metropolitan District Board of Directors accept the 2022 budget which includes anticipated revenue of \$2,730,172 and anticipated expenditures of \$2,730,172 for the Enterprise Fund and anticipated revenue of \$553,397 and anticipated expenditures of \$594,385 for restricted funds. Restricted funds assume the use of \$60,000 excess Debt Service funds held by the trustee bank.

**Motion to open the Public Hearing regarding the Heather Gardens Metropolitan District 2022 Proposed Budget:** Motion made by President Funk and seconded by Treasurer and Secretary Archambault and passed unanimously.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors open the public hearing regarding the 2022 proposed Heather Gardens Metropolitan District Budget.

Explanatory Comment: As the Heather Gardens Metropolitan District is a quasi-governmental agency, the public must be provided the opportunity to provide input and comment on any proposed budget.

Note: Attorney Ms. Ivey noted for the record this is consistent with the published notice that was published in the Aurora Sentinel.

**Public Comments/Discussion on the Motion:**

A resident commended and thanked the Budget and Finance Committee and CFO Counts for the strong work they had done on the budget.

**Motion to close the Public Hearing regarding the Heather Gardens Metropolitan District 2022 Proposed Budget:** Motion made by Vice President George and seconded by Director Mines and passed unanimously.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors close the public hearing regarding the 2022 proposed Heather Gardens Metropolitan District Budget.

Explanatory Comment: As the Heather Gardens Metropolitan District is a quasi-governmental agency, the public must be provided the opportunity to provide input and comment on any proposed budget.

**b.) Motion to approve Heather Gardens Metropolitan District 2022 Budget**

**Resolution:** Motion made by Treasurer and Secretary Archambault and seconded by Director Laubach and passed unanimously.

Text of Motion: I move that the Heather Gardens Metropolitan District Board of Directors approve the Resolution Adopting the 2022 Heather Gardens Metropolitan District Budget, Certifying of the Mill Levy, and Appropriating the Funds (Sum of Money).

Explanatory Comment: This motion is the formal approval and adoption by the Board of Directors of the 2022 Heather Gardens Metropolitan District Budget.

**OPEN FORUM:** None.

**ADJOURNMENT:** Upon motion by Treasurer and Secretary Archambault, and seconded by Director Laubach, and passed unanimously the meeting adjourned at 10:24 A.M.

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William Archambault, Treasurer and Secretary

CEO Department Report  
Statement of Work (SOW)  
October 16, 2021

End of Month Report - October 2021

\*\*\*\*\*NOTE: Based on Feedback, Long Range Projects, Implementations & Prospective Projects & Ideas Section has been removed to Consolidate - these projects did not move with frequency month to month\*\*\*\*\*

HGMD

Clubhouse

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Hire New Asst Clubhouse Manager	Hiring Process/Extend Offer	100	X		11/5/2021
30/60/90 Day Program	Observe & Become Acclimated/Notes/Efficiencies	100	X		1/1/2022
Perform Duties of All Staff	Understand process & PM's etc.	75	X		11/30/2021
System/On Line Program Usage	Understand all Programs	75	X		11/30/2021

Golf

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Update Rules for COVID-19 Play	Staying up to date with rules	100	X		10/31/21
Present Capital requests to Committee	Yearly Planning	100	X		10/31/21
Attend Ladies Season Ending Banquet	Customer Service	100	X		10/6/21
Get snow removal equipment set up	Yearly Planning	100	X		10/31/21
Pump house remodel	Capital Expense	100	X		10/31/21
Work on new brochure for HG	Customer Service	100	X		10/31/21
Create a new employee SOP for Golf	Yearly Planning	100	X		10/31/21
Attend Men's Season Ending Banquet	Customer Service	100	X		10/28/21

Restaurant

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
New menu and hours introduced and is being well receives		100	X		10/26/21
Put out thanksgiving and holiday menus		100	X		11/1/21
Performance foodservice is our back up 2nd supplier		75	X		11/14/21
POS installed	ongoing server training	75	X		11/31/21
Training cooks to help with the kitchen workload		50	X		12/31/21
Researching customer loyalty reward program		50	X		12/31/21
Create menu for golf and simulator	increase sales	50	X		11/20/21
Work with clubhouse on a New Years Eve celebration		25	X		12/31/21

HGA

CEO/General

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Budget Presentation Prep & 3 Meetings - Community	PPT For Budget Presentation to Community	100	X		10/22/21
Hire Clubhouse Manager	Review/Interview	100	X		ASAP
Hire Clubhouse Asst. Manager	Review/Interview	100	X		ASAP
Goals for All Depts	Review/Add Additional Goals/Sit w/ Mgmt.	95		X	10/31/21
Misc. Resident Follow Up / Issues		95	X		ASAP
	Mic/Sound/Zoom Hybrid - SWOT Analysis	60	X		ASAP
CMCA Certification/Professional Cert	(PPD)/After Budget - Scheduled for February	25	X		2/14/22
Goals "Big Board"	Finalize Company/Dept Goals	25		X	10/31/21
L/J Misc. Contract Renewal	2 years remaining	20	X		12/31/21
Uniform/Identification Project/Program	Review Current/Establish New (PPD)	5	X		TBD

CFO/Accounting

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Strengthen cash controls and relieve workload for AR. Transfer check processing in Jenark to Ainissa	Review formulas and review hard coding	100	X		10/31/21
Transfer WO entry into Jenark to Ainissa	Review formulas and review hard coding	100	X		10/31/21
AR/Billing/Prop Mgt in Jenark	General cleanup	75		X	11/30/21
RV lot and Garden plots	Automate billing in Jenark. Update spreadsheet and send out delinquency letters	75		X	12/31/21
Send out delinquency notices	586 letters need to be sent. 283 are top priority in Sept	70		X	11/30/21
Review each direct report processes	Sit down and review with each team member	60	X		12/31/21
Rebuild Control Environment		0		X	12/31/21
Update Capital Reserve report	Review formulas and review hard coding	0		X	12/31/21

#### COO/Operations

#### Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Assist Jon Rea w/ Strategic Plan Outline	Template for Jon Rea's 2 year vision	100		X	10/1/21
SOP book update with Jon H	Update procedures for Facilities/Eng	100	X		10/5/21
City of Aurora - Water Wise 2022	Plan with City of Aurora for reduction in \$\$	33	X		2/22/22
Year at a Glance Calendar (HGA) + (R&G)	Gantt chart/calendar to show HGA items	25	X		12/15/21
2022 Project List	2022 Budget (Approved) Project Tracking	0	X		12/30/21

#### Communications

#### Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Behind	Goal for Completion
Update/Maintain HG Social Media	Promote awareness of community through social media	95	X		ongoing
Property/Amenity PR Brochure	Update old brochure with new information.	80	X		1/1/2022
Document Retention	Research Retention/Programs/Options	0	X		1/31/2022
S:/ Drive Clean-Up	Retention & File Removal/Clean	0	X		12/31/2021
Communication Calendar	Create schedule of comms	0		X	9/30/2021
Hard asset inventory	Inventory of hardware	0	X		11/30/2021

#### Contracts

#### Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
RV Parking Lot	Revising the Parking Lot layout to better suit the needs of the residents using the RV parking lot.	95	X		12/31/21
2021 - Carpet	Replace Carpet Tile on 10 Floors in 7 Buildings	65	X		12/1/21
2021 Elevator Jacks	Replace Elevator Jacks to meet City and State Code Regulations.	65	X		12/31/21
B215 / Golf Cart Drainage	Resolve HGA and HGMD Drainage Issues	25	X		ASAP
Parking Structure - Security Enhancement Project	To help relieve community safety concerns	20	X		ASAP
HGMD Fuel Storage Tank	Install new 500g split tank to supply fuel needs for the small engine fleet.	10			12/31/21
2021 Window Washing	Wash Common Areas building windows. Clean bedroom and living room windows of the (5) buildings painted.	5			ASAP
2021 B233 Re-Roof	Re-Roof B233 to preserve the structure and prevent leaks from occurring	5	X		ASAP

#### Custodial

#### Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Carpet Cleaning in all buildings	We are in building 216.	55	X		
Covering Buildings	Covering buildings 213-216	0	X		until further notice
Deep clean locker rooms in the Club House	We do this project 2 times a year to remove any dark spots from floor	0	X		11/15/2021
Deep clean restaurants kitchen floor	We do this project 2 times a year to remove excessive grease from floor	0	X		11/8/2021

#### Maintenance

#### Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
employee reviews	reviews	100	X		10/31/2021
swamp coolers shutdown	shutdown	100	X		10/15/21
roof maintenance repair	in progress	100	X		10//08/21
244 chair in progress	in progress	75	X		11/19/21
hiring 1 maintenance employee	in progress	75	X		11/30/21
Dry Vent cleaning	in progress	25	X		3/1/22

### Maintenance Facilities Engineer

### Project Status & Objectives

Project Name	Objective	% Conf	On-Time	Late	Goal for Completion
Start Hot Shot Roof scans	CAP Res Identify moisture in foam roofs (Scans completed, scans received)	100	X		Complete
Building 216 - 501, 401, 301,201 and 101 flood	Water Mitigation (Dry-Out)	100	X		Complete
Building 210 fire pipe leak	Replace 4" pipe & fittings in the wall	100	X		Complete
Buildings 242 front entry sidewalk concrete repair	Inhouse concrete repairs	100	X		Complete
Building 243 boiler tube leak	Temp repaired	100	X		Complete
Restaurant HVAC Replacement	Schedule Replacement all done except UV light	90		X	11/29/21
223 & 217 parking slab CAP RES	Drainage and water from foundation (Waiting on Materials)	90		X	11/30/21
Building 216 Roof Safety Rails	Researching Options (Safety)	30	X		12/30/21
New Leak Control Installation in Buildings 221, 222, 223 and 224	Copper Pipe Leak Treatment	25	X		12/30/21
2021 Project 241-244 & 250 unit electric meter PM w/contractor	Inspect and tighten Electrical Connections behind all unit electric meters	25	X		12/30/21
BLD 204 - 104 drain line	Leaking pipe under concrete	25	X		11/30/21
Research PS Security	PS Security	20	X		12/30/21
Multiple building stairs and landing railing replacement	CAP RES Project (Fabrication of railing started. Material supply delays)	15	X		11/30/21
14205-14207 sewer pipe replacement in the basements	Remedy for Continuous drain backups	10		X	Unknown
Building 216 - 501, 401, 301,201 and 101 flood	Restoration	10	X		11/30/21
Multiple building stairs and landing concrete repair and coatings	CAP RES Project (Waiting on railings to be completed)	5	X		11/30/21
Inspect CP pillars to obtain a list and count of pillars that need to be either removed or straightened.	For budgetary purposes.	5	X		12/30/21
Inspect CP breaker panels in CP4, CP5 and CP6 for a list of FDC panels that need to be replaced	For budgetary purposes.	5	X		12/30/21
13707-B Patio Roof Repair	Leak	0	X		ASAP

### Roads & Grounds

### Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
502 Replacement	replace truck 502	90		X	12/31/21
512 Replacement	replace toro workman	90	X		12/31/21
winterize irrigation	blow-out irrigation	60	X		11/31/21
X-mas lights		50	X		11/24/21
Retaining Wall - CP1 - Review	PPD	20	X		8/31/21
Leaf Clean up	Remove fallen leaves	10	X		4/1/22

### Security

### Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Team Firearms training	Training/Development	100	X		10/16/21
Implement New Report software	Productivity	50	X		1/1/22
HGA Master Audit	Update Resident Info	35	X		12/31/21
Employee Key Audit	Building Safety	0	X		2/28/22



## Heather Gardens Clubhouse/Restaurant Committee Meeting

November 9, 2021

Chair, Maria Mines opened the meeting at 3:00 pm with all committee members present.

Report of the August 10 meeting was approved.

The Chair, Maria Mines introduced and welcomed the new Clubhouse Manager, Montrell Anthony. He told us his wife was originally from Aurora and they have two daughters, seven and three. The committee warmly welcomed him. Montrell announced he has hired a new assistant, Julie Racich.

**Report from Restaurant Manager.** Cormac explained the Loyalty Reward Program he has been working on and that leaves no time for marketing. Data is being input for on-line ordering and payments. Resident information can be saved for future ordering. He said that he is trying to keep last year's prices for take-out orders. Courtney has been working on Holiday party dates. He answered a question concerning kitchen help, saying that he has been doing the cooking, dishwashing, ordering and receiving, and taking reservations. Tom Merges and Tom Tomasik found in the P&L positive percentage of costs and sales.

**New Business:** Discussion ensued regarding marketing as an attempt to increase the number of residents using the Restaurant. This led to considering volunteers for that purpose. Volunteers could attend building and AR meetings to promote the Restaurant catering services for special events. It was suggested that members of this volunteer force could work with Judy Kim, the Communications Coordinator, for promotional purposes through Piler messages to the community.

Linda Worthey brought up the Salute to Veterans at the Auditorium, sponsored by Cherry Creek Retirement, that requires everyone to pay attendance fee. Veterans should have free admission to the celebration.

**Unfinished Business:** Regarding the Pool hours, Heather Garden HGA President, Jill Bacon commented that Jon Rea and Montrell Anthony are working on this, and decisions will be made after the first of next year.

There being no further business the meeting was adjourned at 4:10 pm.

The next Clubhouse/Restaurant Committee meeting will be held December 14, 2021 at 3:00 pm.

Jean Baldwin, Secretary

Foundation Notes  
Wednesday, November 10, 2021

Committee Members Present: Eloise Laubach, Chair; Becky Cole, Mavis Richardson, Terry Schumacher. Charlane Plucheck was absent. Also present were Jason Altshuler, Evelyn Ybarra, Jon Rea, Jill Bacon.

- 1) **Quorum** was reached with 4 out of 5 members present.
- 2) **Meeting called to order** at 1:01 pm.
- 3) **Introductions** were made.
- 4) Becky moved and Terry seconded that we approve the notes from meetings held on:
  - a. August 11, 2021
  - b. October 13, 2021The motion was approved.
- 5) **Financial reports** were not available to review.
- 6) **Unfinished Business:**
  - a. **Mask Warrior's Bench**-Eloise checked with Roads and Grounds and the bench has not been received. Roads and Grounds will follow up once again.
- 7) **New Business:**
  - a. **Update of Heather Gardens Foundation Procedure Memorandum.** A motion was made by Becky Cole and seconded by Terry Schumacher that we approve the updated changes to the Heather Gardens Foundation Procedure Memorandum. Discussion ensued prior to the vote as follows:

All mention of the kiosk be stricken from the Memorandum as the kiosk has been removed. Mavis Richardson explained the original intent of the kiosk when it was first installed was to keep the community informed of donations to the Foundation. The kiosk was removed as we have better ways of communicating with people now, including email, Pitera and the Heather and Yon magazine.

Another discussion point was a change in wording from "All projects considered must be for use on District properties" to "All projects considered must be for the benefit of the District." One member questioned whether this could be interpreted as being used by management in a way that would not necessarily benefit all residents of the District. Eloise explained that the new wording means we couldn't use funds, for example, for the garden or the RV parking lot as that wouldn't serve ALL members of the District. The motion was approved with four out of four votes with one reservation and that is: It is necessary to make certain that current and future members of the Foundations Committee are not using the funds to do something that would benefit people or organizations other than all *residents* of the District. One member of the Committee was absent.
  - b. **Request for funds by the Clubhouse for a new Christmas Tree.** The Clubhouse is requesting between \$700 and \$900 for a Christmas Tree to replace the one that has been used for many years. They are hoping to purchase the tree before the Christmas season this year. Three possible tree styles were submitted and we discussed how they were alike and different. We also discussed how much money might actually be needed, including tax, possible shipping, etc.

Terry Schumacher moved and Mavis Richardson seconded the following motion: That we authorize \$1000 allowing the Clubhouse to purchase a 12 ft, prelit Christmas tree. The motion passed unanimously.
  - c. **Request for funds by Roads and Grounds for a retaining wall/bench pad project.** Discussion included location of project, the fact that it benefits everyone living in the HGMD, and where the retaining wall will be located. The total funding request was for \$3762.01 for materials only as Roads and Grounds will do the work.

Foundation Notes  
Wednesday, November 10, 2021

Terry Schumacher moved that we approve the request from Roads and Grounds for \$3562.01 for a retaining wall/bench pad project to be placed at approximately 13879 E Marina Dr. on the common sidewalk/street area. Eloise Laubach seconded the motion. It passed unanimously.

d. **The fourth piece of new business was submitted by The Rendezvous Restaurant for enclosed seating for the patio.** However, it was withdrawn by Jason Altshuler and a new request will be submitted in the future for patio furniture for outside seating, instead.

8) There were no residents wishing to speak on non-agenda items. However, Eloise suggested that members of the Foundation and members of Management, including the Restaurant, meet and develop a long-rang plan that the Foundation can help to fund rather than doing it month-by-month.

Terry requested that a process be set up whereby Management communicates with the Foundation Committee regarding how many trees have been planted or will be planted, what types of trees were purchased with Foundation funds and approximately where they are located so that the Committee can, in turn, communicate that information to the Community that made the donations. Mavis informed us that this used to happen in years past.

9) There will be no meeting in December. The next meeting will be the second Wednesday in January, 2022. The meeting was adjourned at 1:52 pm.

## Golf Committee Meeting notes – November 9, 2021

1. Called to order at 1pm.
2. Quorum present.
3. Minutes of October meeting approved.
4. Financials reviewed and approved.
5. Brian commented that sprinklers will be blown out next week. The waterfall at 9th hole will be cleaned up and excess greenery cleaned out. Many compliments given for how good the course looks.
6. Greg commented on how well the golf course was doing financially with the mild fall weather.
7. Tom speaking for the Men's Club reported 63 at their banquet.
8. Beulah reported that the Women's Club had a luncheon and last board meeting. They are looking forward to a clock and a great 2022. The dress code came up and Greg offered a revised dress code, everyone liked it and it was adopted.
9. The North lake fountain was discussed and a motion made and second to purchase a new lighted one, and similar lights purchased to add to the South Lake.
10. Galvanized Diamond Plate was discussed to repair the bridge at #9, it was moved and seconded to purchase the steel plate.
11. The last order of business was to cancel Dec. Jan. and Feb. meetings. Moved, seconded and passed.
12. No one from the audience asked to speak.
13. Meeting adjourned.

Mike George

## HGMD TREASURER'S REPORT for November 2021 Board Meeting

### Highlights of District Operations through October

#### Enterprise Fund

Enterprise Fund revenue through October was \$2,147,000 which is about \$249,100 less than expected. Enterprise Expenses through October were \$1,936,100 which is about \$393,800 less than anticipated.

Recreation Fee income of \$1,264,500 is as planned. The Recreation Vehicle Lot (RV Lot) income is about \$16,000 less than budgeted as the lot was redesigned to aid in security and vehicle maneuverability. This necessary change resulted in fewer spaces available for rent. Clubhouse revenue exceeds the budgeted amount while Golf Course and Restaurant revenue still are impacted by Covid restrictions earlier in the year.

Clubhouse and Restaurant and Capital Outlay expenses are less than budgeted. Other expenses (Golf course, Audit, Legal, Garden Plot) are in total about as planned.

#### Restricted Funds

**Conservation Trust Fund (Lottery).** The District has received \$15,500 from the Colorado lottery and has spent \$2,400 on District projects so far this year. The bank account for the Conservation Trust Fund has a balance of \$167,929.

**Foundation Fund.** The Foundation has received \$1,700 in donations through October. The Foundation Fund has paid \$594 for District projects. At October 31<sup>st</sup>, the bank account has a balance of \$38,650 and there is an investment of \$150,000 in CD's.

**Debt Service Fund.** The District has received \$491,300 in property tax revenue and \$28,400 in specific ownership tax through October. At October 31<sup>st</sup>, the Zion Bank held \$604,500 for payment of principal and interest on the bond issue. The next principal payment of \$270,000 and interest payment of \$159,100 on the bond issue will be due December 1<sup>st</sup>.

**FOR THE MONTH ENDED OCTOBER 2021**

	Budget	Actual
Clubhouse Profit (loss)	(\$59,832)	(\$48,802)
Golf Profit (loss)	(\$19,660)	(\$9,837)
Restaurant Profit (loss)	(\$5,054)	(\$9,247)

**YEAR TO DATE THROUGH OCTOBER 2021**

	Budget	Actual
Clubhouse Profit (loss)	(\$577,961)	(\$444,999)
Golf Profit (loss)	(\$120,299)	(\$164,449)
Restaurant Profit (loss)	(\$56,448)	(\$86,677)

**HEATHER GARDENS BUDGET & FINANCE COMMITTEE  
NOVEMBER 15, 2021, MEETING REPORT  
ZOOM MEETING**

**TO:** Members of the Heather Gardens Budget & Finance Committee, HGA Board of Directors, HGMD Board of Directors, and General Manager

**FROM:** Terry Hostetler, HGA Treasurer, and Bill Archambault, HGMD Treasurer

**Committee:** Terry Hostetler, Co-Chair, Bill Archambault, Co-Chair, Craig Baldwin, Harry Laubach, Ray Nash, Linda Serio, Randy Lane, and Richard Ferguson

**Staff:** Jon Rae, (CEO); Jason Altshuler (COO); Jerry Counts, (CFO); Ainissa Shiffer, Senior Accountant

**Audience:** Approximately 20 residents, including HGA Board Members and HGMD Board Members.

**Welcome and Chair Comments:** The B&F Committee meeting was called to order at 10:02 AM. A quorum was established. Co-Chair Hostetler welcomed all members and residents present.

**Report by Raymond James, Financial Advisors.** Nick Piccucci and Brian Trujillo reviewed the current investments and reminded the committee that certain investments would be maturing next year. They provided their opinion that interest rates will remain stable (low) until late 2022 or early 2023. A committee member asked about the equity market. Brian mentioned that the equity markets are currently returning about 1.75% for a three-year investment. A committee member suggested that the investment committee should consider moving between \$1 and \$3 million into investments. This will be discussed by the investment committee. Raymond James staff provided a chart showing the average inflation in the US between 1914 until 2021 has been 3.24%. A peak of nearly 15% was recorded in 1983 and a record low of -15.8% was recorded in 1921. Over the last 4 to 5 months the inflation rate has been near 6%. The Federal Reserve forecasts a solid picture for the US Economy and estimated a 3.3% growth in the economy for 2022.

**The October 18, 2021, B&F Committee meeting report was accepted as presented.**

**Monthly Operating Analysis Review:** Jerry Counts, CFO reviewed the October financial statements for HGA and HGMD. All questions were answered.

## **Subcommittee and Other Reports:**

Audit Subcommittee: Report was submitted.

Insurance Subcommittee: No meeting. The CFO reported on the process of obtaining insurance for HGMD for 2022. This will be on the agenda for the December Budget and Finance Committee meeting.

Capital Projects Subcommittee: no meeting.

Investment Update: See information above regarding report by Raymond James.

**Unfinished Business:** None

## **New Business:**

- 1) Investment update on Inflation and Interest Rates. See above.
- 2) Motion by Baldwin, seconded by Laubach and passed unanimously that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors and the Heather Gardens Metropolitan District Board of Directors approve the amended changes in the Joint Budget and Finance Procedure Memorandum (JPM B-3) in section II, Paragraph (A) (1) as follows:
  1. Annually: Oversees the inventory of consumables and fixed assets that are reported on the Balance Sheet. These assets include the capital assets as detailed on the fixed asset schedule presented to the outside auditors, maintenance parts inventory, food, liquor, beer for the Restaurant, and retail items for the Golf Shop.

While the motion passed as written unanimously there was discussion about other possible inventories such as paint, custodial supplies, and roads and grounds supplies. The Controller will study these areas and report back to the committee.

- 3) Motion by Nash, seconded by Baldwin and passed unanimously the Budget and Finance Committee recommend that the Heather Gardens Metropolitan District Board of Directors waive the three-bid requirement and approve the purchase of an Otterbine Lake Fountain with lights for the south lake from L. L. Johnson for \$8,399.84 and lights for the north lake fountain not to exceed \$2,500.00 using Conservation Trust Funds (Lottery) for a total of \$10,899.94. This is an unbudgeted item.
- 4) Motion by Laubach, seconded by Baldwin and passed unanimously that the Budget and Finance Committee recommend that the Heather Gardens Metropolitan District Board of Directors waive the three-bid requirement and approve the repair of the



golf course bridge by Custom Welding & Fabrications, Inc. for \$9,895.00 using funds available from the Conservation Trust Fund (Lottery). This is an unbudgeted item.

Members of the audience wishing to speak on non-agenda items. None.

The meeting was adjourned at 11:45 AM.

The next regular meeting of the Committee will be on December 20, 2021, at 10 AM. The Committee will meet in the Board Room and the meeting will also be available for residents on Zoom.

**HEATHER GARDEN METROPOLITAN DISTRICT  
BOARD ACTION  
November 18, 2021**

**Motion: Consider Ratifying Clubhouse Replacement of two Hot Water Storage Tanks**

Based upon the recommendation of the Maintenance Department, I move that the Heather Gardens Metropolitan District Board of Directors ratify the expenditure for the work that has been performed by Colorado Mechanical to furnish and install 2 new 200-gallon Lochinvar Water Storage Tanks in the Clubhouse's equipment room for the cost of \$32,904. This is an unbudgeted emergency replacement. Capital funds were utilized.

Motion by David Funk Seconded by \_\_\_\_\_

Outcome of vote:

For \_\_\_\_\_ Against \_\_\_\_\_ Absent/abstained \_\_\_\_\_

\_\_\_\_\_ The motion is adopted.

\_\_\_\_\_ The motion is not adopted.

\_\_\_\_\_  
David Funk, President  
Heather Gardens Metropolitan District

## HEATHER GARDENS METROPOLITAN DISTRICT REQUEST FOR CAPITAL EXPENDITURE

PROJECT: Club, Two Hot Water Storage Tank Replacement (Unanticipated Emergency Capital Expenditure)

DEPT: Maintenance

DATE: 11/30/2020

BUDGET Year: 2021 Tab: _____ Pg: _____	Budget Amount: \$ <u>Unanticipated</u> Expended YTD: \$ _____ Unexp. Balance: \$ _____	Contract Amount: \$ <u>29,913.00</u> Change Order Res.: \$ <u>2,991</u> Total Project Cost: \$ <u>32,904</u> Add. Funds Request: _____
---	--	---

**DESCRIPTION:**

**Emergency Capital Expenditure:** One of the two 200-gallon hot water storage tanks ruptured and the other is slowly seeping water around the seams of the tank in the Club Equipment Room. This project consists of the removal and disposal of the two existing storage tanks and replacing them with two direct replacement Lochinvar RJA200 storage tanks. The install will include all necessary connections and fittings to the storage tanks. These two storage tanks store hot water created by two Lochinvar copper tubed boilers. This domestic hot water is then distributed throughout the Club and Restaurant as demand is needed.

**JUSTIFICATION:**

These two hot water storage tanks are necessary to keep up with hot water demand at the Club and Restaurant. The storage tanks are 9 years old, with a life expectancy of 5-10 years. They were installed in 2012 at the time of the new Club build. These two tanks are on the 2022 proposed Capital Reserve Budget for replacement cost of \$21,000 each = \$42,000. This is a \$12,087 savings if no Change Order Reserve is needed

**BID COMPARISON:** (If required, summarize, or attach separate schedule.)

Long Mechanical – Unable to provide expedited service needed for this urgent need.  
 Rasmussen Mechanical Services – Unable to provide expedited service needed for this urgent need.  
 Colorado Mechanical - \$29,913.00  
 No Ad for an "Invitation for Bid" in the Aurora Sentinel paper was placed due to the urgency of this issue.

**RECOMMENDATION:**

The Maintenance Department recommends the Heather Gardens Metropolitan District Board of Directors ratify the work that has been performed by Colorado Mechanical to furnish and install 2 new 200-gallon Lochinvar Water Storage Tanks in the Club's equipment room for the cost of \$29,913.00 with a Change Order Reserve of 10% = \$2,991 for a total project cost of \$32,904. HGA has successfully contracted with Colorado Mechanical for other projects in past years, including adding evaporative coolers in all twelve 4-story buildings and a new 100-gallon water heater this year at Building 232. The contractor will provide a 1-year labor warranty. The water heater comes with a limited 5-year tank leakage and 1-year parts warranty.

1. Department Head	2. Controller	3. General Manager	4. Department Comm. Chair	5. Budget & Fin. Committee	7. HGMD President
<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur 	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur <input type="checkbox"/> Concur with Justification 	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur 	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur

Check concur, non-concur or concur with justification, then initial. Attach comment sheet if you like.

\*Capital expenditures, except emergency replacements and weatherproofing performed by HGA labor, are approved/revised as follows:  
 All Items require Block 1, 2 (when needed), and 3 through 8 completed.



Proposal

# COLORADO MECHANICAL SYSTEMS, LLC.

To: Heather Gardens Association

PHONE: 720-422-0837

DATE: 11/1/2021

Attn: Jon Howell

**JOB NAME/LOCATION:**

Heather Gardens Association  
S. Heather Gardens Way, Aurora CO 80014

**EMAIL:**

Jon.Howell@HeatherGardensmail.com

**JOB:**

2- 200 G Storage  
Tanks

**Scope of Work: CMS proposes to provide the following services:**

**Lochinvar 2 - 200 Gallon Tank**

**Inclusions:**

- ☐ Drain existing Storage Tanks.
- ☐ Remove old Storage Tanks and dispose of properly.
- ☐ Furnish and install (2) new Storage Tanks.
- ☐ Lochinvar RJA200
- ☐ Reconnect existing associated piping.
- ☐ Ensure shut down time to a minimum.
- ☐ Installation of Storage Tanks must be performed in 1 full day.
- ☐ Perform factory authorized startup and test new Storage Tanks for proper operation.
- ☐ Clean area of work debris.
- ☐ CMS provides 1-year labor warranty to all work performed.
- ☐ Lochinvar provides manufacture warranty.
- ☐ 2- Tanks are in stock as of 11/1/2021

\*\*Heather Garden Association is responsible for tanks accessibility from entry of building to final destination, etc.

This proposal is subject to change based on unknown items that may occur as a result of COVID-19 such as material delays, labor shortages due to vaccination status, jobsite disruptions or governmental intervention. Manufacturers and production facilities are feeling the impacts of decreasing international imports, health and safety concerns and economic impacts to their businesses. As a result, manufacturing production may be impacted. Therefore, lead times and production may be extended without warning and pricing may be affected. CMS reserves the right to pass on supplier and subcontractor price adjustments from the time of contract execution until the material release date with these entities. Known projects with critical completion schedules should be coordinated with CMS.

**Exclusions:**

After hours, overtime and or weekend labor, permits, upgrades to line voltage electrical, Design and/or engineering, removal/repair/replacement of finished surfaces; DDC Controls, drywall repair or replacement if necessary; any GC work; carpentry; painting; fire alarm; fire suppression work, sprinkler work; liquidated damages; pre-existing conditions; insulation; controls modifications or upgrades; warranty to existing equipment or components; any labor, or material not specified in scope.

**Thank you for the opportunity to submit this proposal**

**CMS proposes to furnish material and labor as per the scope of work set forth above for the sum of:**

**\$Twenty Nine Thousand, Nine Hundred Thirteen Dollars**

**\$29,913.00**

Payment to be made as follows: Net 20 Days

All material is as specified. All work to be completed according to standard practices. Any alteration or deviation from the above involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. Owner to carry fire, tornado and other necessary insurance.

**ACCEPTANCE OF PROPOSAL** – The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature 

Date 11/1/2021

Title CEO

Authorized Representative:

Signature 

Richard DiFranco  
Senior Account Executive

Note: This proposal may be withdrawn by us if not accepted within **10** days.



Club two domestic hot water storage tanks – Lochinvar RJA200





**Club two domestic hot water storage tanks – Lochinvar RJA200**





**Lochinvar**<sup>®</sup>  
High Efficiency Water Heaters, Boilers and Pool Heaters

## LIMITED COMMERCIAL WATER HEATER WARRANTY

### WHAT DOES THIS LIMITED WARRANTY COVER?

This limited warranty covers the heat exchanger, glass-lined tank and component parts for leakage or other malfunction caused by defects in materials and/or workmanship. It extends to the first owner as long as the water heater remains installed at its original place of installation.

### WHAT DOES THIS LIMITED WARRANTY NOT COVER?

**1. This limited warranty does not cover leakage or other malfunction caused by:**

- a. Defective installation and specifically, any installation which is made:
  - I) in violation of applicable state or local plumbing, housing or building codes, or
  - II) without a certified American Gas Association, ASME, or comparable Temperature Pressure Relief Valve, or
  - III) contrary to the written instructions furnished with the unit.
- b. Adverse local conditions and specifically, sediment or lime precipitate in the tank, tubes and/or headers or corrosive elements in the atmosphere.
- c. Misuse and specifically, operation and maintenance contrary to the written instruction furnished with the unit, disconnection, alteration or addition of non-approved components or apparatus, operation with fuels or at settings other than those set forth on the rating plate, or accidental or other exterior damage.

**2. This warranty also does not cover:**

- a. Production of noise, odors, discoloration or rusty water.
- b. Damage to surrounding area or property caused by leakage or malfunction.
- c. All labor costs associated with the replacement and/or repair of the unit, including:
  - I) examination and replacement of parts claimed to be defective
  - II) any freight, shipping or delivery charges;
  - III) any removal, installation or reinstallation charges;
  - IV) any material and/or permits required for installation, reinstallation or repair;
  - V) charges to return the water heater and/or components to the manufacturer.
- d. Any failed component of the water heater system not manufactured as part of the water heater.
- e. Any water heater altered without prior written approval from Lochinvar, LLC.
- f. Any damage or failure due to contaminated air, including, but not limited to, sheetrock particles, plasterboard particles, lint, dirt or dust, entering the water heater or any of its components.
- g. Any damage or failure due to chemically contaminated combustion air, including, but not limited to, chlorine gas, halogenated hydrocarbons, Freon, entering the water heater or any of its components.

### WHAT IS THE PERIOD OF COVERAGE?

This limited warranty is effective 60 days from the date of manufacture as determined by the serial number. Model number and serial number are found on the rating plate affixed to the water heater.

- Heat Exchangers are warranted against tube leakage for 3 years
- Water Heaters are warranted against tank leakage for 3 years.
- Commercial Storage Tanks are warranted against tank leakage for 5 years.
- Parts are warranted for 1 year.

*Any replacement water heater, storage tank or heat exchanger furnished under this warranty shall remain in warranty only for the unexpired portion of the original warranty*

### WHAT IS THE DURATION OF THE IMPLIED WARRANTY?

ANY IMPLIED WARRANTY, INCLUDING THE WARRANTY OF MERCHANTABILITY IMPOSED ON THE SALE OF THE WATER HEATER UNDER THE LAWS OF THE STATE OF SALE ARE LIMITED IN DURATION TO ONE YEAR FROM DATE OF ORIGINAL INSTALLATION.

### HOW DOES STATE LAW RELATE TO THE WARRANTY?

*Some states do not allow:*

1. Limitations on how long an implied warranty lasts.
2. Limitations on incidental or consequential damages.

The above limitations may or may not apply to you. This warranty gives you specific legal rights, and you may also have other rights which may vary from state to state.



## LIMITED COMMERCIAL WATER HEATER WARRANTY (CONTINUED)

### WHAT WILL WE DO TO CORRECT PROBLEMS?

If a defect occurs within the warranty period we will:

1. Provide a comparable replacement manufacture, or at our option, repair any unit which develops a leak in the tank or heat exchanger within the warranty period.
2. Provide a replacement part, or at our option, repair any part which fails to function within the parts warranty period. To obtain a replacement, you must return the defective part to our distribution center. We reserve the right to verify any claims of defect by inspection.

### HOW TO KEEP THE WARRANTY IN EFFECT

To facilitate warranty service, you should:

1. Follow all instructions enclosed with the product.
2. Retain all bills of sale or receipts for proof of installation, etc.
3. Contact your installer or dealer as soon as any problem or defect is noticed.
4. When necessary, allow our representative to inspect the unit.
5. For your reference, fill in the Model and Serial Number found on the unit's Rating Plate:

### CONDITIONS

We will not:

1. Repair or replace any water heater, or part, subject to conditions outlined in "What Does This Limited Warranty Not Cover?"
2. Reimburse any costs associated with repair and/or replacement.
3. Replace and/or repair any water heater without complete model number/serial number.
4. Replace any water heater without prior receipt of actual rating plate from the appliance.

Model Number \_\_\_\_\_

Serial Number \_\_\_\_\_

Date of Installation \_\_\_\_\_

### SAFETY WARNING

Water heaters are heat producing appliances and to avoid damage or injury in the event of possible overheating of the outer jacket:

1. No materials should be stored against the jacket.
2. Care should be taken to avoid unnecessary contact (especially by children) with the jacket.



**UNDER NO CIRCUMSTANCES SHOULD FLAMMABLE MATERIALS, SUCH AS GASOLINE OR PAINT THINNERS, BE USED OR STORED IN THE VICINITY OF THE HEATER OR IN ANY LOCATION FROM WHICH FUMES COULD REACH THE HEATER.**

For your comfort, enjoyment and safety, please read the operation instructions carefully.



Lochinvar, LLC • 300 Maddox Simpson Pkwy • Lebanon, TN 37090 • 615-889-8900 / Fax: 615-547-1000  
www.Lochinvar.com



HEATHER GARDEN METROPOLITAN DISTRICT  
BOARD ACTION  
November 18, 2021

**Motion: Consider using Conservation Trust Fund (Lottery) to purchase a replacement south lake fountain with lights and purchase lights for the north lake fountain**

Based upon the recommendation of the Golf Committee, I move that the Heather Gardens Metropolitan District Board of Directors waive the three bid requirement and approve the purchase of an Otterbine Lake Fountain with lights for the south lake from L.L. Johnson for \$8,399.94 and lights for the north lake fountain for \$2,325 using Conservation Trust Funds (Lottery) for a total of \$11,798.15 (includes a 10% change order). This is an unbudgeted item.

Motion by Mike George Seconded by \_\_\_\_\_

Outcome of vote:

For \_\_\_\_\_ Against \_\_\_\_\_ Absent/abstained \_\_\_\_\_

\_\_\_\_\_ The motion is adopted.

\_\_\_\_\_ The motion is not adopted.

\_\_\_\_\_  
David Funk, President  
Heather Gardens Metropolitan District

Explanation: This expenditure was reviewed by Joint Budget and Finance Committee where the addition of the north lake lights were added to the original south lake project.

# HEATHER GARDENS METROPOLITAN DISTRICT REQUEST FOR CAPITAL EXPENDITURE

PROJECT: Purchase Floating Water Fountain and Lights for the South Pond and North Lake (North Lake Lights Only)

DEPT: Golf

DATE: 11/17/21

BUDGET Year: <u>2020</u> Tab: _____ Pg: _____	Budget Amount: \$ _____ Expended YTD: \$ _____ Unexp. Balance: \$ _____	Contract Amount: \$ <u>10,725.59</u> Change Order Res.: \$ <u>1,072.56</u> Total Project Cost: \$ <u>11,798.15</u> Add. Funds Request: \$ _____
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**DESCRIPTION:** To purchase a new Otterbine floating water fountain and night lights to replace the existing at the Small Pond water fountain. We will also be purchasing new lights for the North Lake.

**JUSTIFICATION:** (Attach backup material as required)

The Small Pond water fountain and lights are temperamental and no longer dependable. The North Lake lights are not working properly. Functioning water fountains help circulate water and capture oxygen to reduce algae growth, improve water quality, reduce foul odors, and discourage mosquitos habitats. Water fountain lights add an aesthetic appeal to the fountain, helping to create a higher quality of life.



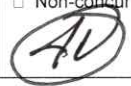
**BID COMPARISON:** (If required, summarize or attach separate schedule.)

L.L. Johnson - \$10,725.59  
 Aqua Sierra - No Bid Received

Note – L.L Johnson and Aqua Sierra are the only Otterbine water fountain dealers in Colorado. Aqua Sierra was contacted for pricing but was not received.

**RECOMMENDATION:**

The recommendation is to purchase a new Otterbine Lake Water Fountain and lights from L.L Johnson to replace the existing at the Small Pond. The recommendation also includes purchasing new lights for the North Lake. The cost is \$10,725.59. The HG Golf Department plans on installing the new fountain and lights in house. Final electrical connections will be made by a licensed electrician using 2022 operational money. A 10% Change Order Reserve was added to cover the cost of unforeseen issues. This project is not to exceed \$11,798.15 without prior board approval.

1. Department Head	2. Controller	3. General Manager	4. Department Comm. Chair	5. Budget & Fin. Committee	6. HGA President	7. HGMD President
 <input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur <input type="checkbox"/> Concur with Justification 	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur 	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur

Check concur, non-concur or concur with justification, then initial. Attach comment sheet if you like.

\*Capital expenditures, except emergency replacements and weatherproofing performed by HGA labor, are approved/revised as follows:  
 All Items require Block 1, 2 (when needed), and 3 through 8 completed.



## Justification – Replace Lake Fountain and Fountain lights – Attachment 2

To: Jon Rea, General Manager  
Cc: Golf Committee Members  
From: Brian Benko, GCS  
Subject: Replace Lake Fountain

### **Lake Fountain Purpose and Benefits**

The golf course has 2 lake fountains. The fountains help circulate water and capture oxygen. The purpose is to reduce algae growth, improve water clarity, reduce foul odors, discourage mosquito habitat. The point is that fountains help make the lakes pristine and healthy.

The secondary purpose is the added aesthetic benefit. The fountains are spectacular. The white flowing water and the sound of the water splashing is pleasurable to the senses. The surrounding trees and green grass landscape are more picturesque with the fountains in the lakes. Photographs of the lakes and the fountains have become an icon in many of the publications regarding Heather Gardens.

This amenity increases property values, but perhaps, more importantly, it increases the pleasure and quality of life at Heather Gardens.

### **Existing Fountain not Working**

One of the two fountains is not working. Despite many repeated man hours of our staff and dealer technician visits, the fountain is inoperable.

This unit is 5 years old. Normally we would expect 10 or more years. I spoke with the dealer representative who said he has seen them fail before 5 years but normally 10 years is a good expectation. It depends upon the site-specific conditions.

I recommend replacing instead of spending further time money and resources on repairing existing unit. Note also that this is a system where electricity is working underwater thru power cable and components. Therefore, replacing the entire system eliminates potential failure points and will be safer for people and fish in the long-term perspective. Electrical hazard safety is a relevant aspect of justifying this purchase.

The fountain system consists of three main components:

- Motor mounted on floating base with lights
- 200 feet of waterproof cable for motor, 200 feet of waterproof cable for lights
- Power controller to provide and control voltage from pump house.

## Justification – Replace Lake Fountain and Fountain lights – Attachment 2

### Budget and Funding

This purchase is not in the 2021 Capital Budget. However, looking at 2020 golf course item for which there was unexpended balance, notably, the golf car batteries were purchased at a cost savings of \$19,495 under the budget amount. This would cover the cost of a new fountain.

\*note budget year and funding

Golf Car Batteries (HGMD 2020)	\$43,563
Rolled over due to Covid Delays to 2021	\$43,563
Actual expenditure 2021	\$24,068
Unexpended balance	\$19,494

### Bids and Fountain Selection

Otterbine Inc. is a 60 year old company specializing in lake management products with worldwide customer base. Despite the short life of the existing fountain, I recommend Otterbine because over the years the fountains have served well. Since 1998 we have only had to purchase 4 fountains for 2 lakes. That is an average life span of 12 years per fountain. It will be desirable for maintenance and servicing to continuing to have 2 fountains with like make and models.

We replaced the other fountain this past winter. If this purchase is made, the golf course will have 2 new fountains only a year apart in age. Also, Otterbine offers a discount to previous customers.

Otterbine has 2 dealers in Colorado. Their bid prices are listed below.

L.L. Johnson            \$8,114.94 plus shipping / with (2) yr. warranty  
Dealer confirmed price to end of calendar year.

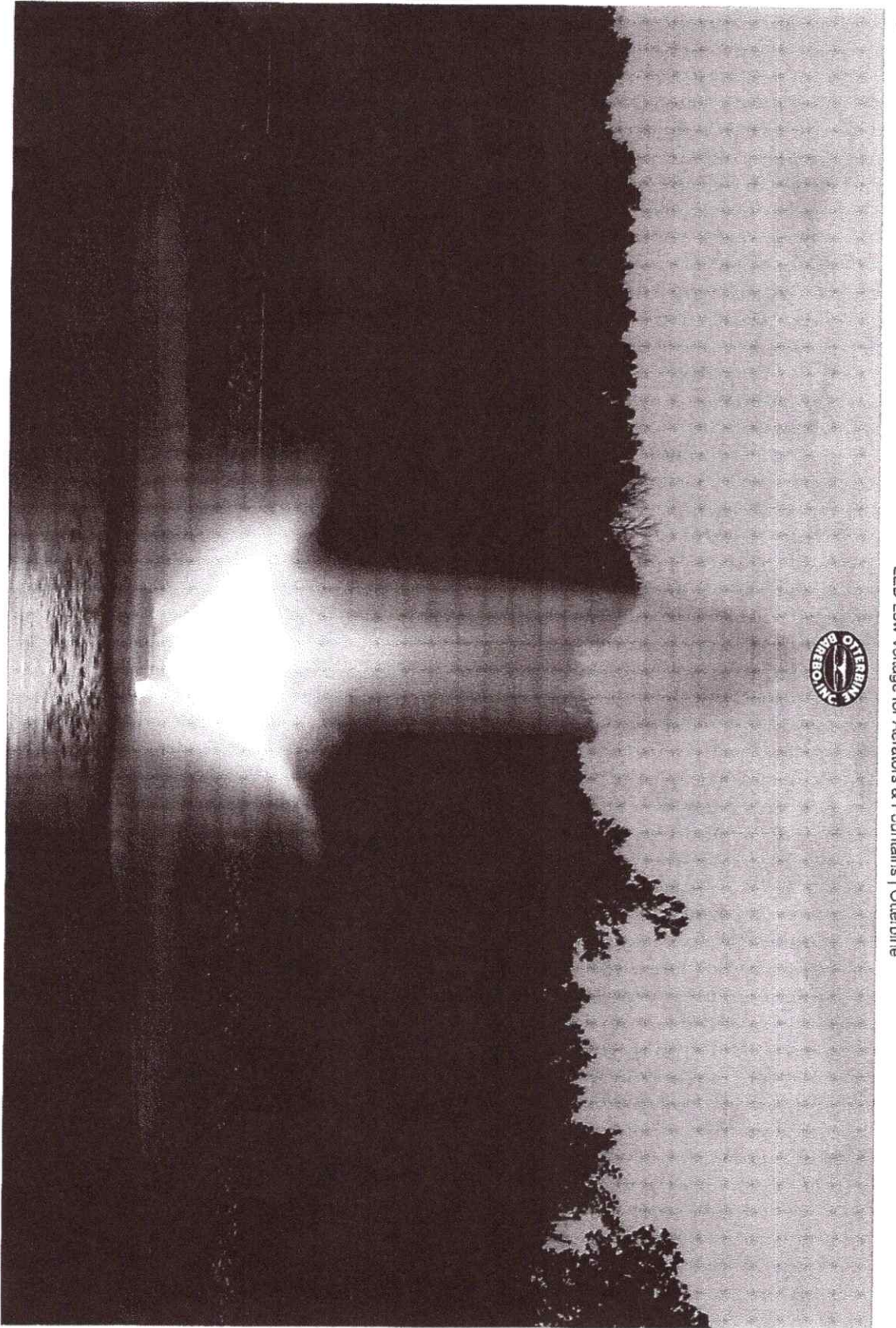
Aqua Sierra            no bid delivered

### Final Comments

This summer many residents expressed their disappointment, and outrage that the fountain and lights were not operating. This was frustrating for the golf department staff as we worked hard in effort to restore the amenity. The fountains have had down times in the past, but we always managed to get the fountains working. This was a disheartening for us because we did not meet expectations.

The fountain serves a valuable purpose. The fountain is desired and expected. It will be a victory for all of us to see the fountain flowing again... even in October.





similar image of proposed fountain

# Attachment 1





PROJECT HEATHER GARDENS

QUOTE BY: TARA FRANCH

DATE: 5/6/21

OTTERBINE

**Terms: Net 30**



# Attachment 3

## NOTICE

L.L. Johnson Dist. Co. is pleased to quote the material listed, conforming to the specifications noted and subject to the terms and conditions listed, which are hereby made a part of this proposal.

The material specifications, sizes and quantities listed herein are our interpretation of the plans and specifications for this project and are believed to be correct, but are not guaranteed. It is the customers responsibility to confirm quantities, prices, and specifications, prior to placing order.

The prices quoted are FOB jobsite, unless otherwise indicated, for the quantities shown. Please note that all freight estimations on pipe are subject to change at any time.

LINE #	GROUP ID	PRODUCT	DESCRIPTION	UNIT	QTY	PRICE	EXT PRICE
		01-0012-216	***** AF UNIT 2HP 230/1/60/MOTOR *****	EA	1	\$4,921.66	\$4,921.66
		18-0043	TRI-STAR 60HZ AF	EA	1	\$1,268.32	\$1,268.32
		957-001	CABLE POWER	EA	200	\$3.46	\$692.00
		02-0050-004	4 LIGHT SET LED 6.5W 60HZ	EA	1	\$1,529.46	\$1,529.46
		34-0011	CABLE 16/2 LED & WIND CONTROLS	EA	200	\$0.88	\$176.00
			LOYALTY DISCOUNT	EA	1	(\$472.50)	(\$472.50)
			FREIGHT (ESTIMATED)	EA	1	\$285.00	\$285.00
						<b>TOTAL</b>	<b>\$8,399.94</b>

\* Prices are based on quantities quoted. Changes in bid lines or quantities when ordering may result in changes to bid prices.  
\*\*\*Pricing good for 10 days from the date of bid.

\* The L.L. Johnson Distributing Company reserves the right to assess restock fees, as well as freight on all products provided by this company. Any returned product must have prior approval from L.L. Johnson before it can be returned. The purchaser must provide L.L. Johnson with a written list of material for which return is being requested. An L.L. Johnson representative will meet with the purchaser on site to inspect the goods prior to return.

\* Toro branded materials may be purchased independently of all other materials quoted.

L.L. Johnson Distributing-IVY  
 4701 IVY ST  
 DENVER, CO 80216-6413  
 (303)320-1270 FAX 3033204326

# QUOTE

UPC VENDOR	QUOTE DATE	ORDER NO.
000000	11/12/21	1139785-00
P.O. NO.		PAGE #
LIGHT QUOTE		1

CUST#: 223303

SHIP TO: HEATHER GARDENS METRO DIST  
 2877 S HEATHER GARDENS WAY  
 AURORA, CO 80014-5641

CORRESPONDENCE TO: PATTLEN ENTERPRISES, INC.  
 4700 HOLLY STREET  
 DENVER, CO 80216

BILL TO: HEATHER GARDENS METRO DIST  
 NONTAXABLE  
 2888 S HEATHER GARDENS WAY  
 AURORA, CO 80014-5642

INSTRUCTIONS		TERMS
		Net 30 Days
SHIP POINT	SHIP VIA	SHIPPED
L.L. Johnson Distributing-IVY	Best Way Grd	

LINE NO.	PRODUCT AND DESCRIPTION	QUANTITY ORDERED	QUANTITY SHIPPED	QUANTITY B.O.	UNIT PRICE	AMOUNT (NET)
***** EMAIL INVOICES TO ruel.wiles@HeatherGardensmail.com *****						
1	02-0050-004 4 LIGHT SET LED 6.5W 60Hz	1	1		1506.650	1506.65
2	GP3999 CABLE 12/3 LIGHTS/IF/AQUA/FAC LITE SET,FRAC FT	350	350		2.340	819.00
2	Lines Total	Qty Shipped Total	351		Total Invoice Total	2325.65 2325.65

**Heather Gardens Metropolitan District  
Board Action  
Date: November 18, 2021**

**Motion: Consider Using Lottery Funds to Repair Golf Bridge**

Based on the recommendation of the Golf Committee, I move that Heather Gardens Metropolitan District Board of Directors waive the three bid requirement and approve the repair of the golf bridge for \$10,885 (includes 10% change order) using funds available from the Conservation Trust Fund (Lottery). This is an unbudgeted item.

Motion by: Mike George Seconded by: \_\_\_\_\_

Outcome of vote:

For: \_\_\_\_\_ Against: \_\_\_\_\_ Absent/Abstaining: \_\_\_\_\_

The motion has a majority and is adopted.

The motion does not have a majority and is not adopted.

\_\_\_\_\_  
David Funk, President  
HGMD Board of Directors

Explanation: This has been reviewed by the Joint Budget and Finance Committee.



## HEATHER GARDENS METROPOLITAN DISTRICT REQUEST FOR CAPITAL EXPENDITURE

PROJECT: Golf Bridge Repair

DEPT: Golf

DATE: 11/17/21

BUDGET Year: _____ Tab: _____ Pg: _____	Budget Amount: \$ <u>unbudgeted</u> Expended YTD: \$ _____ Unexp. Balance: \$ _____	Contract Amount: \$ <u>9,895</u> Change Order Res.: \$ <u>990</u> Total Project Cost: \$ <u>10,885</u> Add. Funds Request: \$ _____	
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**DESCRIPTION:** To install diamond plates on the walking surface of the golf bridge located at hole #9. The new diamond plates will be cut and welded around the existing railing post/ plates. The top of the new plates will be painted black.

**JUSTIFICATION:** (Attach backup material as required)

The golf bridge located on hole #9 is deteriorating, and in need of a serious cosmetic repair. The bridge is structurally sound but clearly showing age and becoming an eye sore. We do not have the funds to replace the bridge but can prolong the useable life by adding diamond plates.

**BID COMPARISON:** (If required, summarize or attach separate schedule.)

Custom Welding and Fabrication is HG's preferred vender for our steel/ metal projects  
 Cost of Steel: \$4,965  
 Labor: \$2,950  
 Galvanizing: \$1,980  
**Total Project Cost: \$9,895**  
 Down Payment: \$5,000

**RECOMMENDATION:** The Golf department recommends using lottery funds to pay for new plates to be installed on the walking surface of the golf bridge. The project will help eliminate the unsightly condition the bridge is currently in. The new plates will also eliminate the perceived idea the bridge is no longer structurally sound. The cost of this project is \$9,895. We have added a 10% change order reserve to cover the cost of unforeseen issues. This project is not to exceed \$10,895 without prior HGMD approval.

1. Department Head	2. Controller	3. General Manager	4. Department Comm. Chair	5. Budget & Fin. Committee	6. HGA President	7. HGMD President
<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur 	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur <input type="checkbox"/> Concur with Justification 	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur 	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur

Check concur, non-concur or concur with justification, then initial. Attach comment sheet if you like.

\*Capital expenditures, except emergency replacements and weatherproofing performed by HGA labor, are approved/ revised as follows:  
 All Items require Block 1, 2 (when needed), and 3 through 8 completed.

**Custom Welding & Fabrication Inc.**

43224 London Dr. Parker, CO. 80138  
303-680-0817 phone

**Welding and Fabrication Proposal**

This proposal when signed by both parties, acceptance of consideration, and agreement to the terms and conditions shall constitute a contract for service by Customer Welding & Fabrication, Inc. and:

**Customer:** The Heather Gardens Association  
2888 S. Heather Gardens Way  
Aurora, Co 80014

**Project: Golf Course Bridge**

**Scope of Work: New Diamond Plate Steel for the Walking Surface.**

The following is an estimate to fabricate and install:

New diamond plate to be installed on the walking surface of the bridge, the plates will be cut and welded around the existing rail post/plates, the top surface of the plates will be painted black.

Add galvanize to the plates before install. 10-14-2021

Consideration for Scheduling, Materials Purchase, Fabrication in Shop and other necessary work prior to installation:

Down Payment: \$5000.00  
Cost for steel: \$4965.00  
Cost for labor: \$2950.00  
Cost for galvanizing: \$1980.00  
Total: \$9895.00

**Terms and Conditions: Estimate valid for 30 days from today's date.**

**Exclusions:** City permits, engineering, shop drawings/templates, additional insurance or weld certificates, bonds, 3<sup>rd</sup> party inspections, liquidated damages, hot work permits, rebar, concrete, delays from other trades and suppliers, underground obstructions and electrical. Core drilling, all light gage steel, aluminum and stainless products, special coatings (unless otherwise noted). Demolition, temporary shoring. Delays due to weather, site readiness and delays in receipt of "approved for fabrication". Wood & shear wall



anchors, design, and structural calculations. GPR if needed, elevations (By GC), CWF does not warranty any powder coating and/or paint defects, nicks, scratches, bends, damage from cleaning.

All applicable laws and ordinances will be complied with. Certificates of insurance available on request. Contractor will complete all work with promptness except for "Acts of God." Acts of God are defined as acts over which the company has no control. A 1½% / month service fee will be assessed on all balances unpaid after the 30th calendar day. A minimum \$45.00 rebilling fee will result. Any and all attorney's fees necessary for the collection of this contract amount shall be the responsibility of the buyer. Any alteration or deviation from above specifications involving extra costs, will be executed only upon written orders, and will become an extra charge over and above the estimate.

Time and day to be designated by Contractor. This contract covers all transportation, equipment, labor, and materials for above service. Amount to be paid includes all charges applicable at time of execution unless otherwise specified.

### **ACCEPTANCE OF PROPOSAL**

The above prices, specifications, and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date:

Customer Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Phone#: \_\_\_\_\_

Custom Welding & Fabrication, Inc. Acceptance: \_\_\_\_\_  
Donald L. Smith President

Please feel free to contact me with any questions.

Sincerely,

Donald L. Smith  
303-680-0817

Please send signed estimate to email [DonLSmith83@gmail.com](mailto:DonLSmith83@gmail.com)

# WORK ORDER CONTRACT

## HEATHER GARDENS METROPOLITAN DISTRICT

1. **CONTRACTOR.** The Heather Gardens Metropolitan District (the "District") hereby retains **Custom Welding & Fabrication Inc** (the "Contractor") to perform the Work (as defined in paragraph 3) for the District. The Contractor hereby agrees to perform such Work, pursuant to the terms and conditions set forth herein as an independent contractor of the District.

2. **TERM.** The Contractor shall commence the Work on \_\_\_\_\_, 20\_\_ or when otherwise advised by the District. The Contractor shall complete all the Work by \_\_\_\_\_, 20\_\_.

3. **SCOPE OF WORK.** The "Work" contracted for pursuant to this Work Order shall consist of the following:  
Furnish and install new galvanized diamond plates on the walking surface of the golf bridge. The new plates will be cut and welded around the existing railing post/ plates. The top of the new plates will be painted black.

Or check here  if a scope of work is attached to this Work Order and incorporated herein by this reference.

In performing the Work the Contractor shall: (a) comply with all applicable federal, state and local laws (b) be responsible for providing, at its cost and expense, all management, supervision, labor, materials, administrative support, supplies and equipment necessary to perform the Work and (c) warrant the Work for one year after completion of the Work, as applicable.

4. **COMPENSATION.** The Contractor shall be paid an amount not to exceed **\$9,895.00** by the District for Work satisfactorily performed either (a)  on a **50% down payment followed by the remaining 50% to be paid upon the completion** or (b)  in a lump sum upon completion **[Check (a) or (b)]**. The Contractor shall be solely responsible for all expenses it incurs in performance of the Work and shall not be entitled to any reimbursement or compensation except as set forth herein. As applicable, for certain contracts over \$50,000, the performance and payment bond provisions of Section 38-26-105, C.R.S. are hereby incorporated by this reference into this Work Order as though fully set forth herein, and shall hereinafter bind the District and the Contractor accordingly.

5. **INDEMNIFICATION.** Subject to the provisions of Section 13-50.5-102(8), C.R.S., to the extent applicable to this Work Order, the Contractor shall indemnify, defend and hold harmless the District and each of its directors, employees, agents and consultants (collectively the "Indemnitees"), from and against any and all claims, demands, suits, actions, proceedings, judgments, losses, damages, injuries, penalties, costs, and expenses (including reasonable attorneys' fees), and liabilities of, by or with respect to, third parties to the extent they arise from or may be alleged to arise, directly or indirectly, in whole or in part, from the intentional or negligent acts or omissions of the Contractor or any of its subcontractors, agents representatives or employees, or the agents or employees of any subcontractors, in connection with this Work Order and/or the Work provided hereunder or which causes or allows to continue a condition or event which deprives the Indemnitees, as applicable, of its sovereign immunity under the Colorado Governmental Immunity Act, Sections 24-10-101, *et seq.*, C.R.S., as amended from time to time. Provided, however, that such Contractor shall not be liable for any claim, loss, damage, injury or liability arising out of the negligence of the Indemnitees. The obligations this paragraph shall survive termination or expiration of this Work Order.

6. **INSURANCE.** The Contractor shall secure and maintain for the term of this Work Order adequate statutory workers' compensation insurance coverage, comprehensive general liability insurance and excess liability coverage, from companies licensed in the State of Colorado, as will protect itself and the Indemnitees from claims for bodily injuries, death, personal injury or property damage, which may arise out of or result from the Contractor's acts, errors or omissions. Such insurance coverage shall be acceptable to the District in its sole discretion. To provide evidence of the required insurance coverage, copies of certificates of insurance shall be furnished to the District.

7. **ILLEGAL ALIENS.** As applicable, the provisions of Sections 8-17.5-101 *et seq.*, C.R.S. are hereby incorporated by this reference into this Work Order as though fully set forth herein, and shall hereinafter bind the



Contractor accordingly. Prior to the execution of this Work Order the Contractor shall complete the certification to the District attached hereto as **Exhibit A** and incorporated herein by this reference. If the Contractor participates in the Department Program the Contractor shall notify the Department and the District of such participation. The Contractor shall, within twenty (20) days after hiring an employee who is newly hired for employment to perform work under the Work Order, affirm that the Contractor has examined the legal work status of such employee, retained file copies of the documents required by 8 U.S.C. Sec. 1324a, and not altered or falsified the identification documents for such employees. The Contractor shall provide the District a written, notarized copy of the affirmation, similar to **Exhibit B** attached hereto and incorporated herein by this reference.

**8. CONFIDENTIALITY.** During the performance of this Work Order the Contractor may have access to confidential information and hereby agrees that the Contractor will not to use or disclose to anyone, except as required in the performance of this Work Order or by law, or as otherwise authorized by the District, any or all confidential information given to the Contractor by the District, developed by the Contractor as a result of the performance of this Work Order or accessed by the Contractor as a result of this Work Order. The Contractor agrees that, if the District so requests, it will execute a confidentiality agreement, in a form acceptable to the District. The obligations of this paragraph shall survive termination or expiration of this Work Order.

**9. MISCELLANEOUS.**

**A. Subject to Annual Budget and Appropriation/Governmental Immunity.** The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds are subject to annual budgeting and appropriations. As applicable, the provisions of Section 24-91-103.6, C.R.S. are hereby incorporated by this reference into this Work Order as though fully set forth herein, and shall hereinafter bind the District and the Contractor accordingly. Nothing in this Work Order or in any actions taken by the District pursuant to this Work Order shall be deemed a waiver of the District's sovereign immunity under the Colorado Governmental Immunity Act.

**B. Integration/Modification/Assignment/Termination.** This Work Order contains the entire agreement between the parties, and no statement, promise or inducement made by either party or the agent of either party that is not contained in this Work Order shall be valid or binding. This Work Order may be modified, amended or changed only by an agreement in writing duly authorized and executed by both parties. The Contractor shall not assign this Work Order or any interest hereunder, in whole or in part, without the prior written consent of the District, which consent may be withheld for any reason or for no reason. The District may assign this Work Order or any interest hereunder, in whole or in part, at any time. The District may terminate this Work Order at any time for convenience or for cause, in whole or in part, by delivery to the Contractor of a written notice of termination at least five (5) days prior to the effective date.

**C. Severability/Non-Waiver/Governing Law and Venue.** The invalidity or unenforceability of any portion or previous version of this Work Order shall not affect the validity or enforceability of any other portion or provision. Any invalid or unenforceable portion or provision shall be deemed severed from this Work Order and the balance of this Work Order shall be construed and enforced as if this Work Order did not contain such invalid or unenforceable portion or provisions. No waiver of any of the provisions of this Work Order shall be deemed to constitute a waiver of any other provision of this Work Order, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed to be a waiver of any subsequent default hereunder. This Work Order shall be governed by and construed in accordance with the laws of the State of Colorado, and venue for any dispute hereunder shall lie in the in the state courts of the State of Colorado.

This Work Order may be executed in one or more counterparts, each of which shall be deemed an original and together shall constitute one and the same instrument. By signature of its representatives below, each party affirms it has taken all necessary action to authorize said representative to execute this Work Order.

**DISTRICT:**  
Heather Garden Metropolitan District  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

**CONTRACTOR:**  
Custom Welding & Fabrication, Inc  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT A**

Certification Regarding Illegal Aliens

I, \_\_\_\_\_, as \_\_\_\_\_ of Custom Welding & Fabrication, Inc, the prospective "Contractor" for that certain contract for services to be entered into with the District, do hereby certify on behalf of said Contractor that, as of the date of this certification, the Contractor does not knowingly employ or contract with an illegal alien who will perform work under this Work Order and that the Contractor will participate in either the E-Verify Program administered by the U.S. Department of Homeland Security and the Social Security Administration, or in the Colorado Department of Labor and Employment's Employment Verification Program pursuant to Section 8-17.5-102(5)(c), C.R.S., in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this Work Order.

**CONTRACTOR:**

Custom Welding & Service, Inc

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT B**

Affirmation of Legal Work Status  
Pursuant to Colorado Revised Statute § 8-17.5-102(5)(c)(II)

Employee Name: \_\_\_\_\_  
Last First Middle

Date of Birth: \_\_\_\_\_ Date of Hire: \_\_\_\_\_

In accordance with Colorado Revised Statute § 8-17.5-102(5)(c)(II), I have:

\_\_\_\_\_ examined the legal work status of the above named employee.

\_\_\_\_\_ retained file copies of the documents required by 8 U.S.C. sec. 1324a.

\_\_\_\_\_ not altered or falsified the identification documents for the above named employee.

Employer Name / Designated Representative: \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Official Title \_\_\_\_\_ Employer Phone Number \_\_\_\_\_

STATE OF COLORADO     )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_ , by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_.

(SEAL)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

**Heather Gardens Metropolitan District  
Board Action  
Date: November 18, 2021**

**Motion: Consider accepting the revisions to the Heather Gardens Foundation  
Procedure Memorandum**

Based on the recommendations of the Foundation Committee, I move that the Heather Gardens Metropolitan District Board of Directors accept the revisions to the Heather Gardens Foundation Procedure Memorandum as attached (Tentative consideration for approval December 23, 2021).

Motion by: Eloise Laubach Seconded by: \_\_\_\_\_

Outcome of vote:

For: \_\_\_\_\_ Against: \_\_\_\_\_ Absent/Abstaining: \_\_\_\_\_

\_\_\_ The motion has a majority and is adopted.

\_\_\_ The motion does not have a majority and is not adopted.

\_\_\_\_\_  
David Funk, President  
HGMD Board of Directors





**HEATHER GARDENS FOUNDATION  
PROCEDURE MEMORANDUM**

***Adopted July 18, 2019 and Effective August 29, 2019***

***Updated January 16, 2020***

***Updated November 18, 2021***

## HEATHER GARDENS FOUNDATION

Date Adopted:	July 18, 2019, Effective August 29, 2019, Updated January 16, 2020, <u>Updated November 18, 2021</u>
Document Type:	Procedure Memoranda, F-1
Attachment (s):	Not Applicable

*This Procedure Memorandum shall supersede all previous versions of the Procedure Memorandum and Functions and Policy Manuals for the Foundation Committee, as well as all previous resolutions, actions and informal practices and policies of the District or portions thereof which may be in conflict with the provisions hereof.*

### ARTICLE I – BACKGROUND & PURPOSE

The Foundation Committee is a standing committee authorized by the Board of Directors (Board) of the Heather Gardens Metropolitan District (District).

The purpose of the Foundation Committee is to serve in an advisory role and solicit, review and approve all donations to the District, maintain a record book and publicize the activities of The Heather Gardens Foundation (Foundation).

The Foundation Committee recognizes that the Foundation was originally formed as a non-profit corporation under the laws of the State of Colorado, pursuant to Articles of Incorporation dated June 1991 and recognized by a Certification of Incorporation issued by the Colorado Secretary of State dated June 27, 1991 and currently continues in existence as ~~a~~ the Foundation Committee and funds donated thereto ~~are~~ presented as a restricted account consistent with the Foundation donors' instructions.

All capitalized terms not herein defined shall be defined as presented in the District's Bylaws or Rules and Regulations.

### ARTICLE II - COMPOSITION

The Foundation Committee shall be composed of the chairperson (Board member appointed to the Foundation Committee by the President of the Board), the District's Agent (without vote), and a minimum of (4) four and a maximum of (7) seven eligible electors of the District.

### ARTICLE III – PROCEDURES

**Section 1. Committee Chairperson.** The chairperson chairs all meetings of the Foundation Committee and appoints all Foundation Committee members from eligible

electors of the District that have applied therefor. The chairperson also counsels with Residents and interested parties regarding the donations and proposed projects, publicizes activities of the Foundation (including in the Heather 'n Yon), and verifies that monthly donations match the financial report prepared by the Controller. The chairperson reports to the Board.

## Section 2. Committee Duties and Responsibilities.

- A. Evaluates donations to the Foundation and accepts only those determined to be suitable and appropriately intended for the benefit of the District.
- B. Accepts and evaluates proposed projects received from individual committee members, the District, and/or members of the public. Evaluation consists of determining if funding is available and if the project will be for the benefit of the District. Assures that the project meets the décor of the District Facilities.
- C. Submit all Foundation Committee approved projects to the Board for their consideration. Upon District approval, the Foundation Committee will determine the process and/or procedure for completion of projects.
- ~~D. Oversee use of and requests for changes to the kiosk located in the Clubhouse lobby (Kiosk) as provided herein.~~
- E.D. Annually review rules and regulations applicable to the Foundation and recommend changes thereto, as needed, to the Board.

## ARTICLE IV – POLICIES

**Section 1. Non-Discrimination Policy.** The District will not exclude anyone from making donations to the Foundation based on national origin, race, color, physical handicap, or sexual orientation.

**Section 2. Donation/Project Policy.** Donations to the District are accepted by the Foundation if they are suitable and appropriately intended for the benefit of ~~all members~~ of the District.

- A. Persons wishing to make a donation are asked to complete a donation form created by the Foundation Committee and available in the Management Office and Clubhouse lobby. These donations may be tax deductible.
- B. Donations should be delivered to the Heather Gardens Management Office for deposit into the Foundation Account. The Controller will post said donations into the designated category (Clubhouse, Golf, Roads &

Grounds, Unspecified funds, etc.). The donations form is sent to the Board Assistant, who drafts the letter of acknowledgment for the chairperson to sign. Once signed, the letter is then sent by the Board Assistant to the donor, the honoree, or the family of donations sent in memory. The chairperson verifies the amount against the monthly financials provided by the Controller.

- C. For unspecified donations, the Foundation Committee has the prerogative of using the donation on the most current project or may reserve it for a future project.
- D. Donations to the Foundation shall not be used for routine maintenance of District Facilities or Heather Gardens Association property.
- E. Donations designated for use in a specific area of the District shall be utilized only in the specified area. Donations that come in for a specific project shall be utilized for that project until it is totally funded. Excess donations that come in for a project will be moved to the unspecified funds to be used on future projects.
- F. All projects considered must be ~~for use on District properties~~ for the benefit of the District and available to all Residents and Owners. Clubs and organizations requesting Foundation funds must be open to all Residents and Owners and shall not have restricted criteria to become a part of the Club or organization. Project requests for supplies that will be depleted and would be considered as an individual student or club expense will not be considered.

~~**Section 3. Kiosk.** The primary functions of the Kiosk are to track Foundation donations, provide easy access to review donations, allow family members and Resident's access to names of individuals who donated in their loved one's name. The Kiosk also functions to disseminate useful information regarding community activities, classes, trips, and special events, provide access to restaurant and golf shop information and showcases what the District has to offer as a community. The Kiosk was purchased with donated funds and shall be utilized as follows:~~

- ~~A. Donations to the Foundation are to be input into the Kiosk by the Heather Gardens Management Office on a monthly basis.~~
- ~~B. All requests for changes or additions to the Kiosk shall be submitted to the Foundation Committee for review. If change requests fall outside of the Foundation Procedure Memorandum (PM) F-1 guidelines the request shall be sent to the Board for consideration.~~

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C. ~~Requests that require outside technical support may be funded by the District.~~

**Heather Gardens Metropolitan District  
Board Action  
Date: November 18, 2021**

**Motion: Consider Accepting the Revisions to the Heather Gardens Joint Budget and Finance Procedure Memorandum JPM B-3**

Based on the recommendations of the Budget and Finance Committee, I move that the Heather Gardens Metropolitan District Board of Directors accept the revisions to the Heather Gardens Joint Budget and Finance Procedure Memorandum JPM B-3 as attached (Tentative consideration for approval December 23, 2021).

Motion by: Bill Archambault Seconded by: \_\_\_\_\_

Outcome of vote:

For: \_\_\_\_\_ Against: \_\_\_\_\_ Absent/Abstaining: \_\_\_\_\_

\_\_\_ The motion has a majority and is adopted.

\_\_\_ The motion does not have a majority and is not adopted.

\_\_\_\_\_  
David Funk, President  
HGMD Board of Directors

Explanation: All the departments are taking inventory of non-capital items (chairs, tables, desks, bookcases, etc.), which are expensed when incurred and not added to our fixed asset schedule. We are expending significant labor time documenting items that cannot be verified against a General Ledger account.

The items that should be inventory are fixed asset items which has a schedule that is prepared for the auditors, and maintenance parts inventory, restaurant food, liquor, and beer, and retail items in the Golf Shop. All these inventories have General Ledger accounts that need to be supported.

# HEATHER GARDENS BUDGET and FINANCE INTERNAL AUDIT PROGRAM

## Joint Procedure Memorandum JPM B-3

This Heather Gardens Budget and Finance (B&F) Joint Procedures Memorandum (JPM B-3) replaces PM B-3, Budget and Finance Internal Audit Program, dated ~~August 9, 2011~~ February 18 and 20, 2020, which should be removed from your file and destroyed.

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## I. BACKGROUND

- A. The Management Agreement dated between the Heather Gardens Association (Association) and the Heather Gardens Metropolitan District (District) provides for shared advisory committees to serve both the Association and District Boards.
- B. The Heather Gardens Budget and Finance Joint Procedure Memorandum (JPM B-1), approved by the Association and District Boards, is authorized as a shared advisory committee based on the Management Agreement. JPM B-1 defines the Internal Audit Program and the Audit Subcommittee. It authorizes the Audit Subcommittee to assist the B&F Committee in performing its functions. This Heather Gardens Joint Procedure Memorandum (JPM B-3) defines the composition and functions of the Audit Subcommittee.
- C. The Association and District Treasurers jointly appoint the Chair of the Audit Subcommittee. The Audit Subcommittee is composed of a maximum of 7 individuals who preferably have financial, administrative, and/or audit experience in the industry and public service procedures and processes. It reports to the Association and District Board of Directors (the Boards) through the B&F Committee chair.

## II. RESPONSIBILITIES

### A. AUDIT SUBCOMMITTEE.

1. Annually: Oversees the inventory of consumables and fixed assets that are reported on the Balance Sheet. These assets include, ~~but are not limited to,~~ the capital assets as detailed on the fixed asset schedule presented to the outside auditors, ~~goods, and~~ maintenance parts inventory yes, food, liquor, beer for-of the Restaurant, Clubhouse, Golf Program, and Administrative Offices and retail items for the Golf Shop.
2. Monthly: Reviews previous month's paid invoices.



3. Random Audits include but are not limited to:
  - a. Petty cash.
  - b. Clubhouse cash procedures for class registration, trips, and special events.
  - c. Restaurant cash and credit card handling procedures.
  - d. Golf course cash and credit card handling procedures.
  - e. Such other special audits as requested by an appropriate Association or District authority or as deemed appropriate based on knowledge internal to the Subcommittee.
  - f. Prepare written reports on the results of all audits, including findings and recommendations, submit them to the Association and District Treasurers who reports the results at regular meetings of the B&F Committee.
  - g. Perform any other task within the expertise of the subcommittee as requested by the Association and District Boards of Directors or the B&F Committee.

**B. TREASURERS OF THE BOARDS.**

1. Review audits performed by the Audit Subcommittee and includes any findings and recommendations concerning audit results in a memo to the Association and District Boards.
2. Evaluate special audit requests from other Association and District parties and the Audit Subcommittee, and report to the Boards.
3. Association Treasurer reviews bank reconciliations for the Association. The District Treasurer reviews bank reconciliations for the District. Status reports will be provided to the appropriate Board.

**C. BOARDS OF DIRECTORS.**

1. Acts on recommendations from the Audit Subcommittee through the B&F Committee.

### III. PROCEDURES

A. **REVIEW OF PREVIOUS MONTH'S INVOICES.** The review includes, but not limited to, the following steps:

1. Verify that purchase order has been completed and attached, when appropriate.
2. Verify that the invoice has received proper Management approval and that each individual invoice is within the appropriate spending authority. As approved by the appropriate Board.
3. Verify that the expenditure has been coded to the proper department.
4. Review to ensure that available cash discounts are taken and note any errors.
5. Verify that the check copy amount equals the total of the invoices attached.
6. Verify that the check amount equals that shown on the check register listing for the month.
7. Verify that all checks recorded on the check register for the month are accounted for.
8. The Chair initials and dates each page of the check register indicating that all checks listed have been verified.
9. Controller retains the check register for review in the annual audit process.

B. **Annual Inventory:**

1. In collaboration with Management, the Subcommittee Chair will supervise the annual inventory of the Association and District properties by:
  - a. Annually recruiting 7 to 8 residents to assist in the December property inventory process.
  - b. Assigning the volunteers to work with staff.

- c. Assigning a portion of the inventory to each team using the Management prepared inventory sheets.
  - d. Collecting, reviewing, and certifying the results as correct and submitting them to Management for recording in the inventory database.
  - e. Reporting the inventory results, noting any differences, to the Association and District Treasurers.
- 2. Management and Subcommittee inventory teams will revise and verify items in the Inventory Database.**
- a. The staff and volunteer team members will separately count and verify the inventory and record the results.
  - b. Log to-be-added items that are not on the inventory.
  - c. Log as missing any items that were not found.
- 3. Management will record the results in the inventory database.**
- C. Review Petty Cash Accounts.**
1. A member of the Subcommittee and Management will review the petty cash accounts.
- D. With the Treasurers, review the bank reconciliations.**
- E. REPORTING FINDINGS OF ROUTINE AUDITS.**
1. Routine audits are those that are performed on a regular basis, having approximately the same scope and using substantially the same methods and techniques in each audit.
  2. Subcommittee findings and recommendations of routine audits are reported in writing to the Association and District Treasurers. The Treasurers, in turn, include a summary of the Subcommittee's activities in the report to the B&F Committee at its monthly meeting.
  3. The Association or District Treasurer recommends to the appropriate Board those actions deemed necessary in response to the findings and recommendations of the audit. The Treasurers may include an evaluation of the findings and recommendations of the audit but may not change them.

**F. SPECIAL AUDITS.** Special audits are audits performed on an as-required basis in response to a request by the Association or District Treasurer, other Association or District committees, the Association or District Board of Directors, or Management. The Audit Subcommittee may also conduct special audits based on its own initiative and studies of various systems used by the Association to discharge its responsibilities under the Association Declaration of Condominium and the Bylaws of the Association and District and the Association-District Management Agreement.

1. Requests for special audits must be in writing, signed by the responsible individual, and must be specific as to the scope of the audit.
2. Special audit requests must be routed to the Audit Subcommittee through the Treasurers. The Treasurers will give direction to the Audit Subcommittee as to the scope, content, and reporting requirements of the special audit.
3. At the conclusion of the special audit, the Audit Subcommittee prepares its report, in writing, and:
  - a. Submits it to the requesting party through the appropriate Treasurer.
  - b. The Association or District Treasurer includes the results of the audit in the monthly report at the B&F Committee meeting and the appropriate Board meeting.
4. In reporting the findings of a special audit, the Treasurers may include an evaluation of the findings and recommendations of the audit but may not change them

**G. CORRECTIVE ACTION.**

1. In the event that an internal audit, routine or special, reports a discrepancy or recommends a change in a procedure or system, additional action is required.
  - a. The party responsible for the audited function must prepare a response, in writing, detailing the corrective action to be taken or specific reason the corrective action should not be implemented.



- b. The responsible party's response is routed the same way as the audit report (see C.3. above) containing the discrepancy or recommended system change.
- 2. Responsibility of the Treasurers and the Subcommittee ends when a discrepancy is reported, or a change in procedure or system is recommended. Corrective action is the responsibility of the Board.

---

Jill Bacon, Association President  
President

---

~~Craig Baldwin~~ David Funk, District

**Heather Gardens Metropolitan District  
Board Action  
Date: November 18, 2021**

**Motion: Consider Using Foundation Funds to purchase a Christmas Tree for Clubhouse**

Based on the recommendations of the Foundation Committee, I move that the Heather Gardens Metropolitan District Board of Directors authorize the use of the \$1,000 in Foundation Funds for the purchase of a Christmas Tree for the Heather Gardens Clubhouse.

Motion by: Eloise Laubach Seconded by: \_\_\_\_\_

Outcome of vote:

For: \_\_\_\_\_ Against: \_\_\_\_\_ Absent/Abstaining: \_\_\_\_\_

The motion has a majority and is adopted.

The motion does not have a majority and is not adopted.

\_\_\_\_\_  
David Funk, President  
HGMD Board of Directors

Explanation: The Clubhouse is requesting Foundation funding for a Christmas Tree to replace the old one that has been used for many years. They are hoping to purchase the tree before the Christmas season this year.

**Heather Gardens Metropolitan District  
Board Action  
Date: November 18, 2021**

**Motion: Consider Using Foundation Funds for Roads and Grounds Project**

Based on the recommendations of the Foundation Committee, I move that the Heather Gardens Metropolitan District Board of Directors authorize the use of \$3,762 in Foundation Funds for the purchase of materials for a retaining wall and bench pad project to be located at approximately 13879 E Marina Dr near the common sidewalk area.

Motion by: Eloise Laubach Seconded by: \_\_\_\_\_

Outcome of vote:

For: \_\_\_\_\_ Against: \_\_\_\_\_ Absent/Abstaining: \_\_\_\_\_

\_\_\_ The motion has a majority and is adopted.

\_\_\_ The motion does not have a majority and is not adopted.

\_\_\_\_\_  
David Funk, President  
HGMD Board of Directors

Explanation: The total funding request of \$3,762 is for materials only as Roads and Grounds will do the work.

## Retaining wall/Bench Pad Project

### Retaining Wall (Home Depot)

40 Linear Feet @ 7 blocks high = 320 Bricks

320 blocks \* \$2.58 = \$830 (\$897.00 including tax)

1 yard road base @37.49/yard. \$120 delivery

\$897.00 + \$157.50 = \$1054.50

### Bench Pad (Lowe's)

60 sq. ft.

35 pavers \* \$ 4.18 = \$146.30 (\$159.00 including tax)

\$159.00

### Sod (Green Valley Turf)

200 sq. ft. = \$155.00 (Colorado blue)

Soil amendment (Pioneer Landscape Supply) \$38.95/yard

3 yards compost = \$116.85

Delivery \$120

\$155.00 + \$116.85 + \$120.00 = \$ 391.85

### Mulch

10 yards Washington Cedar (Pioneer) \$58.95/yard

\$589.50 (\$636.66 including tax)

Delivery \$120

\$636.66 + \$120.00 = \$756.66

### Tiller Rental

1-day approx...\$200

**Total Estimate for Materials ONLY**

**\$1054.50**

**\$391.85**

**\$159.00**

**\$756.66**

**\$200.00**

**\$2562.01 TOTAL**

**\$3762.01 (INCLUDING BENCH\*)**

**\*Benches vary in price...\$1200.00 is a reasonable expectation for the cost of a commercial park bench.**