



**NOTICE OF HGMD BOARD OF DIRECTORS SPECIAL MEETING
January 26, 2023 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 special meeting at the Heather Clubhouse in the board room and via Zoom videoconference at **1:00 PM on January 26, 2023**. 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://us06web.zoom.us/j/89041034744?pwd=UXltdmhvQzI5YXNZWU5GOVY3YkZDQT09>

Meeting ID: 890 4103 4744

Password: 793205

or

Dial-In Number: +1 346 248 7799 US

AGENDA

1. Determine quorum present
2. Call meeting to order
3. President Remarks
4. Approval of/additions to/deletions from the agenda
5. Approval of Minutes
 - a. Consider Approval of Minutes of November 17, 2022, Regular Meeting
6. Reports of Directors, committees, and professional consultants
 - a. CEO (Rea) – January 17, 2023, Reports
 - b. Clubhouse/Restaurant Committee (Mines) – January 9, 2023, Report
 - c. Foundation Committee (Laubach) – January 11, 2023, Report
 - d. Golf Committee – No Meeting
 - e. Property Policy Committee (Funk) – No Meeting
 - f. Joint Long Range Planning Committee (Funk) – January 12, 2023 Update
 - g. Treasurer’s Report (Archambault) – January 2023
 - h. Joint Budget and Finance Committee (Archambault) – January 16, 2023, Report
7. Unfinished Business
8. New Business
 - a. Discuss Options to Invest Foundation Funds
 - b. Consider Approval of Garden Plot Sprinkler System Upgrade Project
 - c. Consider Approval of Ray Nash’s Appointment Extension to the Joint Budget and Finance Committee
 - d. Consider Approval of 2022 Carry Forward Spending Authority to 2023
 - e. Consider Approval of 2023 Annual Administrative Resolution
 - f. Consider Approval of 2023 Election Resolution
 - g. Consider Approval of Foundation Funds for Roads and Grounds Landscaping Projects
 - h. Consider Approval of Bylaw Revisions
9. Open Forum – Public comment (time limit-3 minutes per person)
10. 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 meeting on February 16, 2023 at 1:00 pm will be canceled,
However, a special meeting will be held on February 23, 2023 at 1:00 pm.**

**HEATHER GARDENS METROPOLITAN DISTRICT
REGULAR MEETING
Thursday, November 17, 2022**

The regular meeting of the Board of Directors of the Heather Gardens Metropolitan District was held via Zoom/Telephone in the Heather Gardens Clubhouse and in the board room at 2888 S. Heather Gardens Way, Arapahoe County, Colorado, on Thursday, November 17, 2022, at 1:00 P.M.

CALL TO ORDER: President Funk called the meeting to order at approximately 1:00 P.M. on Thursday, November 17, 2022. A quorum was present.

BOARD MEMBERS PRESENT: President David Funk, Vice President Eloise Laubach, Secretary/Treasurer William Archambault, Directors Maria Mines and Mitch Albert.

BOARD MEMBERS ABSENT: None.

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

GUESTS PRESENT: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C., 7 members of the Heather Gardens Association Board, Lynn Donaldson with Heather 'n Yon, and approximately 20 members of the public were present.

PRESIDENT REMARKS: None.

APPROVAL OF MINUTES:

Motion made by Vice President Laubach and seconded by Secretary/Treasurer Archambault and passed unanimously to approve the minutes of the October 13, 2022, Special Meeting, as written.

Motion made by Secretary/Treasurer Archambault and seconded by Vice President Laubach and passed unanimously to approve the minutes of the October 20, 2022, Regular Meeting, as written.

REPORTS OF DIRECTORS, COMMITTEES, AND PROFESSIONAL CONSULTANTS:

Chief Executive Officer (CEO) Report: The Board received a copy of the CEO's Statement of Work. CEO Rea reminded residents of the deadline to submit HGA veto ballots by November 18 at 4:00 p.m. The HGA Election Committee will tabulate the votes on Monday, November 21, and on Wednesday, November 23 the veto results will be communicated. There were no questions or comments.

Clubhouse/Restaurant Committee: No meeting.

Foundation Committee: The Board received a copy of the Foundations Report. Vice President Laubach provided an update that the bench is at the Golf Pro Shop, and managers Greg Kohr and Matt Martella would decide where it will be placed. Vice President Laubach reported that the Committee would like more input on trees. Every year donations are received for trees, but the funds are not being used. The Committee would like more input from management on where they would like trees and how much they would need. Also, the Committee saw a need for new outdoor furniture for the restaurant and asked that management work with other committees to submit recommendations. There have been questions regarding using funds to remove trees near buildings and for the RV Lot if those who donate it request it. Vice President Laubach commented that if the request does not benefit the community, she is not in favor, but these requests would need to go through the Committee. President Funk commented that there are general guidelines for assessing and accepting donations. With the end of the year, this would be a good time to review and update the procedure memorandum for clarification. CEO Rea said he would meet with Vice President Laubach to discuss a plan with manager Matt Martella. Vice President Laubach commented that there might not be a meeting in December. There were no further questions or comments.

Golf Committee: No meeting.

Property Policy Committee: No meeting.

Joint Long Range Planning Committee (JLRPC): President Funk reported that the Committee met and worked on a tool that assesses projects and community action considerations. It is a process to identify how projects and various considerations would impact long-range planning and whether the committee will take a more active role in planning. Cochair David Kennedy commented that the tool will benefit other committees and that the HGA Maintenance Committee Chair Mike Pula will implement the tool for the capital projects. President Funk said the capital component list was developed for long planning projects with a 30-year outlook.

Treasurer's Report: The Board received a copy of the Treasurer's Report. Secretary/Treasurer Archambault noted in the Debt Service payment of interest and principal made on December 1 that the monies will be available in the account held with Zion Bank. There were no questions or comments.

Joint Budget and Finance Committee: The Board received a copy of the Joint Budget and Finance Report. Secretary/Treasurer Archambault reported that the Insurance Subcommittee would be receiving information on the District's insurance coverage from the insurance pool in the next couple of weeks to present at the December Budget and Finance and District meeting. The motions recommended by the Committee will be discussed later in the meeting. The banker will discuss short-term investments and US Treasury at the December Budget and Finance meeting. The Association and District have about \$5 million that is available for short-term investments in the money markets.

In Money Markets, you can get the money the next day. The interest rate is about 4%. There were no questions or comments.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

- a) **Motion to Approve Line-Item Redistribution of Capital Funds Appropriated for Projects that will not be accomplished in the 2022 Fiscal Year:** Motion made by Secretary/Treasurer Archambault and seconded by Director Mines and passed unanimously.

Text of Motion: I move that the funds allocated in the 2022 HGMD Budget be revised through line-item redistribution by the Heather Gardens Metropolitan District Board of Directors as follows:

Funds From 2022 Anticipated Projects:	Amount:
Paint Clubhouse	\$14,672
Flooring Mgmt. Office/Board Room	\$20,960
Clubhouse HVAC 2 variable speed motors	\$11,285
Auditorium Sound System	\$ 6,885
Kilns in Clubhouse	\$28,212
Clubhouse Storage Tank Domestic	\$21,159
Outdoor Pool Heater/Boiler	\$ 7,536
Storage tank Rendezvous	\$21,159
Golf Tractor with forklift and backhoe	\$33,873
Use part of the amount to be Contributed to Reserve	\$11,956

Less the following project approved by Board during October 2022 Board meeting:

Update Clubhouse HVAC Software & Computer	(\$17,697)
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Net amount available for use on other needed projects	\$160,000
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Redistribute the \$160,000 as follows:

RV Lot Lighting and other Security	\$50,000
Clubhouse Card Entry Security System/Security	\$80,000
Garden Plot water system design and installation	\$30,000
Total amount reallocated	\$160,000

Net Change to the amount appropriated for 2022 Capital Expenditures	\$0
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Further, I move that the Heather Gardens Metropolitan Board of Directors approve the carry forward of the redistributed funds and projects to the 2023 fiscal year.

- b) Motion to Approve the use of Lottery Funds to purchase a new enclosure and impact screen for the Golf Course Simulator:** Motion made by Secretary/Treasurer Archambault and seconded by Vice President Laubach and passed unanimously.

Text of Motion: Based on the recommendation of the Golf Pro and Joint Budget and Finance Committee, I move that the Heather Gardens Metropolitan District Board of Directors approve the use of Lottery Funds to purchase from Carl's Place Golf a new enclosure and impact screen for the golf course simulator at a cost not to exceed \$2,000.

Explanatory Comments: The current impact screen has developed holes due to repeated use. The proposed new impact screen will be stronger, have a tighter weave, and have a longer life expectancy.

- c) Motion to Approve the Yale Entrance Water Wise Project:** Motion made by Secretary/Treasurer Archambault and seconded by Director Mines and passed unanimously.

Text of Motion: Based on the recommendation of the Maintenance Committee and Joint Budget and Finance Committee, I move that the Heather Gardens Metropolitan District Board of Directors approve the landscape project on the property of the District located at the Yale and Abilene St entrance to Heather Gardens. The landscaping project is to meet the "Water Wise" design developed in conjunction with the City of Aurora.

Note: This is an unusual project where the money is under the Association budget, but the property belongs to the District, so both Boards have to approve, which HGA had already approved in their November 15 meeting.

OPEN FORUM: None.

ADJOURNMENT: Upon motion by Vice President Laubach, seconded by Secretary/Treasurer Archambault, and passed unanimously, the meeting adjourned at 2:01 P.M.

William Archambault, Secretary/Treasurer

**CEO Department Report
Statement of Work (SOW)
January 17, 2023**

End of Month Statement of Work Report - December 2022

HGMD

Clubhouse

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Water Filling Station	Upstairs	100	x		12/31/22
New Years Eve Celebration	Prep Etc.	100	x		12/31/22
2023 Calendar	Start promoting 2023 events	60	x		1/30/23
Attach all setups to ActiveNet	Organized	30	x		1/19/23
Spring Craft Fair	Be prepared	10	x		3/24/23
Comedy Show	Be prepared	10	x		1/21/23
Install Stage Skirt	Keep Stage looking nice	5	x		1/29/23

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		11/30/22
Conduct Safety Meeting	Maintenance	100	x		12/31/22
Add 3 holes to all greens for winter	Maintenance	100	x		12/31/22
Golf Course Tree Pruning	Maintenance	100	x		12/31/22
Compile Year End Liability Reports	Maintenance	100	x		12/31/22
Do Year End Inventory	Maintenance	100	x		12/31/22
Locker room payment for 2023	Customer Service	100	x		12/31/22
Begin to order products for 2023	Customer Service	75	x		2/15/22

Restaurant

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Create events to increase revenue for 2023		100	x		10/31/22
Train our cook to be the lead cook/kitchen manager		85		x	12/31/22
We have touched base with 240 group and are working with Greg on it		55		x	12/31/22
update banquet menus and pricing to reflect the cost of goods		50	x		1/15/22
Work with golf course on increasing sales for he season upcoming		25	x		3/30/22
Work with Jon and Don on the freezers project		20	x		2/1/23
Work with Montrell on entertainment for the year		0	x		3/31/23
Research special event opportunities / weddings etc.		0	x		3/31/23

CEO/General

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Capital Reserve Tracking Sheet Update	Add New Projects	100	x		12/20/22
Certification Tracking	Training/Development	100	x		12/31/22
Comcast Communication Concessions	Review	100	x		12/31/22
Board/Committee Goals Comm	Communication	75	x		1/13/23
Starry Phase 3 Addendum	Assemble Addendum w/ Feedback	75	x		ASAP
Comcast Phase 4 - Fiber	Misc. Comms, Planning	60	x		2/28/23
L/J Misc. Contract Renewal	August Expiration/Vet Vendors (PPD)	60	x		3/31/23
Uniform/Identification Project/Program	Review Current/Establish New (PPD)	60	x		1/31/23
Declaration Revisions	Misc. Updates/Considerations	50	x		1/31/23
JPBM Follow Up & Info	Provide Information for JPBM Update to Treasurer/Committee	50	x		1/13/23
Misc. Position Fill	Admin & Ops (Re-Post with New PEO)	50		x	12/4/22
Capital Reserve Database	Componentry Review/Changes	25	x		1/31/23
Strategic Capital Reserve/Plan	Meeting/Follow Up LRP/Maint Etc.	15	x		ASAP
HGMD Access Control Project	Assessment of Access/Needs/Floorplan Review - Floor Plan Complete Review with Sec Consult	10	x		3/31/23

CFO/Accounting

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
AR/Billing/Prop Mgt in Jenark	General cleanup	95		x	2/28/23
Review each direct report processes	Sit down and review with each team member	80	x		12/31/22
2022 Audit for HGA and HGMD	Final Audit report to B&F in April 2023	50	x		4/18/23
Implement requirements of HB22-1137	Monthly statement process	50		x	2/28/23
Pilera enhancements	Improve residents' visibility of the account ledger. Additional payment options.	0	x		3/31/23
Review POS system for work orders	Collect payment at time of service	0	x		2/28/23
Capital Reserve Database maintenance	Update current costs and components	0	x		6/30/23

CHRO/Human Resources

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Comp Date
Holiday Party	Emp Morale and recognize	100	x		12/16/22
Open enrollment for new PEO	Compliance	100	x		12/12/22
End-of-year compliance for all HR items	compliance	100	x		12/31/22
PEO Conversion with all employee file updates	Save Money, Improve Efficiency	95	x		1/1/23
Onboard New PEO	Train all the managers, set up employees	95	x		1/1/23
Transition to new 401K	Part of the new PEO	75	x		1/15/23
comprehensive Customer Service Training per Dept.	Improve CS and Help Employees	70	x		1/1/23
work on uniform change/color	more transparency easy to spot	75	x		12/31/22

Security Dept 2 positions	Market/Vet/Interview/Hire	75	X		asap
Work on new forms for reviews	easier for managers/fair for all	75	X		1/1/23
Hire Office and Accounting people	Market/Vet/Interview/Hire	50	X		1/1/23
Employee recognition/reward program	Enhance Morale & Recognize (PPD)	25	X		parked
Hire 3 Maintenance Persons	Market/Vet/Interview/Hire	25	x		ASAP
Launch PEO Marketing and Employee Portal	Improve Efficiency, Communication, and Save Money in Hiring	25	x		ASAP
Enhance Safety Program	Improve Efficiency and Improve Safety Program	25	x		ASAP/In-Progress
Hire a new person in Contracts	Market/Vet/Interview/Hire	25	X		1/1/23
Upload all current forms, handbooks, data, etc. into PEO platform for onboarding	Improve Efficiency and tracking	0	x		ASAP

Communications/Administrative Services

Objectives are currently being evaluated with timing - Board Assistant Promoted to Administrative Manager (Oversight of Admin Office Personnel and Continuing to Support Boards as Needed)

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Behind	Goal for Completion
Social Media Accounts	Create a business account Instagram	90	X		4/1/23
Google Business Profile Page	Claim our Google profile page to make updates and maintain reviews	60	X		4/1/23
Review Website Opportunities	Vet Vendors/Review Options	5	X		ASAP
Hire Administration Support Role	Post, Vet, Hire	0	X		2/28/23
Update current information on Website	Make corrections and remove outdated information/add more communications as needed	50		X	Timing - TBD/Ad-Hoc Activities
Find one platform for all Communications	Work on finding one platform for all communications & info resource	40	X	X	Timing - TBD
Pllera Clean Up	Work on removing nonresidents, updating current residents so that they receive communications	40	X	X	Timing - TBD
Cross-Train Receptionist	Work with Resident Coordinator to train Reception	30		X	Timing - TBD
Seasonal Communications	Put together communications that are more season based/reminders	20		X	Timing - TBD
Allstream Analog Telephone lines	Work with vendor to clean unused lines and ensure we have the right service.	10		X	Timing - TBD

Contracts

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Clubhouse Access Control, Parking Structure Security Cameras, and RV Parking Security Enhancement Projects	To help relieve community safety concerns	10	X		12/31/23
PSAC - Parking Structure Maintenance Plan - Year 1 Scope, RFP and Vendor Selection and Performance	To have a professional engineer conduct and conditions test and generate a report describing the current state of the parking structures.	5	X		12/31/23
HGMD Garden Plot Upgrades	Provide upgrades to the Garden Plot Watering System and add Pavers for users to easier navigate through the garden.	5	X		5/1/23
2023 Project Planning	Plan for the upcoming projects based on the approved budget.	1	X		7/1/23
2023 Building Exterior Painting	Paint Building to keep them looking aesthetically pleasing and water tight.	0	X		7/1/23
2023 Roof Replacement - B218, 219 and either 223 or 224.	Replace an HG 6-story building roof. To maintain the building being water tight	0	X		12/31/23
2023 Carpet Replacement Project	Replace Carpet in Select Building Corridors.	0	X		6/1/23
Maintenance Shop - Concrete/ Asphalt Repairs	Repair drainage issues by adding drain pans and remove and replacing curb and gutters. Add New Entry Gate	0	X		10/1/23
Atrium Building Xeriscape - B244	Xeriscape area over underground garage to prevent water cracking, water leaking, and structural damage.	0	X		10/1/23
2023 Trash and Recycling Contract	Provide Trash and Recycling Services Throughout the Community	0	X		9/1/23

Custodial

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
Carpet cleaning	catch up on this project	50	X		03/29/23
Develop new roles for staff	use strengths of staff	50			01/31/23
Assign staff member to keep maintenance log	Get the most out of equipment	10	X		01/31/23
Create Space for products	build inventory for tracking	5			01/30/23

Maintenance

Project Status & Objectives

Project Name	Objective	% Comp	On-Time	Late	Goal for Completion
December reviews	reviews	100	X		12/31/22
monthly courtesy inspections 2023	schedule	50	X		1/31/23
rotations for service techs 2023	rotations	50	X		1/31/23
new training year 2023	training of different process	0	X		12/31/23
replacement/repair exit doors	213-216 in 2023	0	X		7/1/23
2023 asbestos training	rec -certifications	0	X		5/30/23
2023 chair rail projects	221,222,250	0	X		12/31/23
2023 lift training	training	0	X		2/28/23

Facilities Maintenance Engineer

Project Status & Objectives

Project Name	Objective	% Conf	On-Time	Late	Goal for Completion
TOP 3 - 6 PROJECTS					
Club HVAC software upgrade	Required upgrade	75	X		1/31/23
Planning 2023 capital projects	Inspect locations for projects	10	X		2/28/23
Club outdoor pool boiler replacement	Scheduled for the end on January	10	X		1/31/23
Club indoor pool filter system	Proposals for replacement	5	X		3/17/23
Building 214 chair rail project	Carryover from 2022	5	X		4/2/23
MID-LEVEL PROJECTS					
Building 204 water leak damage	2 bathrooms restore (Contractor)	95	X		1/31/23
Building 232 water damage	Kitchen Restoration (Contractor)	95	X		2/24/23
Inspect CP pillars to obtain a list and count of pillars that need to be either removed or straightened.	For budgetary purposes.	40	X		3/29/23
LONG TERM PROJECTS					
All Multi-story roof safety protocol	Found Option (Safety) (Scheduling)	65	X		2/29/2023

Roads & Grounds

Project Status & Objectives

<i>Project Name</i>	<i>Objective</i>	<i>% Comp</i>	<i>On-Time</i>	<i>Late</i>	<i>Goal for Completion</i>
244/cp3 bench pad project		100		X	11/25/22
Leaf Removal	Remove fallen leaves - PPD Due to Snow Most Property Completed	85			
2023 CapEx projects	Replace equipment	80	X		2/1/23
Water Wise	Improve water usage	70	X		5/31/23
Pruning PM's	Set expectations for pruning	40	X		1/31/23
Mowing PM's	Set expectations for mowing	40	X		1/31/23
Foundation Projects	community LS projects	25	X		12/31/23

Security

Project Status & Objectives

<i>Project Name</i>	<i>Objective</i>	<i>% Comp</i>	<i>On-Time</i>	<i>Late</i>	<i>Goal for Completion</i>
Re-do security schedule	ensure 24 h coverage with all	100	X		1/1/23
Clubhouse Access Control (Quotes)	Building Safety	75	X		12/31/22
Senior Resource Officer Seminar	Community Outreach - Meeting 1/6/23	50	X		3/31/23
Hire New Overnight Guard & Additional Officer	Vet, Interview, Start	10	X		ASAP
Call Adult Protect Services	Social Worker/Case Manager Opportunity	0			ASAP
Report Writing Course	Improve report writing skills	0			ASAP

End of Quarter Report Quarter 4- October through December 2022

End of Quarter Reports are recaps directly from the Department Manager Summarizing the Quarterly Accomplishments, Go Forward Plans & Goals.

HGMD

Clubhouse

Accomplishments/Department Update

- The fourth quarter of 2022 was about bringing everything together in terms of equipment use, customer service, and being prepared for holiday events.
- The staff has done an outstanding job taking the challenge of providing exemplary customer service. We added a part time front desk staff member. She has been a terrific addition to our team.
- Our annual “Deck the Halls” Christmas decorating for the clubhouse was held in December. The volunteers did an excellent job of making the clubhouse feel like Christmas.
- We brought back Retro Band in December. This event was well attended with 100+ attendees. This band continues to be a resident favorite.
- We had our annual Craft Fair in October with 70+ crafters. A special thank you to clubhouse, custodial and volunteer staff. The fair was organized and well attended.
- We have reevaluated when our fairs take place. We have changed all fairs to months where we have a break in the class sessions. Making this change allows us to not have to cancel classes.
- We were able to complete some key repairs. Our entry door and men’s locker room shower were repaired.
- Our New Year’s Eve celebration was a terrific way to end the year. We had about 80 residents at the celebration. The residents had an exciting time dancing and laughing. The Mile High Big Band was excellent. This event was a success.

Next Quarter/Next 3-Months/Goals

- Prepare for Spring Craft Fair
- Complete 2023 Calendar of events
- Hire 1 part time front desk employee
- Advertise 2023 events

Budget/Projections/Expenses

- Auditorium floor annual sanding and deep cleaning due next quarter

Golf

2022 was a year of feeling normal again. We were able to fully go back to running the golf course as normal, no covid restrictions. This meant we could go back to taking care of the customer the way we did before all the restrictions. The weather played a big part in the beginning of the year, but we quickly caught up and surpassed expectations, finishing our year out strong, coming in below budget and up on revenue projections. 2022 was certainly a banner year for Heather Gardens Golf Course in many aspects.

- The 4th quarter was a bit unlucky compared to 2021, we had at least 1 snowstorm in each of the 3 months. Something we certainly did not have last year. Even with being closed a total of 29 total days in the last quarter we were able to beat out our revenue projections for 2 of the 3 months.
- With the weather not cooperating as well as it did in the 4th quarter of 2021 there was no way we were going to be able to top that. Considering our lack of warm dry weather, we were able to beat out our budget for the last 3 months by about \$4,500. That is huge considering the number of days closed.
- Green fees in the 4th quarter beat out our budget projections by about 8% creating a surplus in revenue just over \$3k.
- Golf Carts in the 4th quarter beat our budget projections by just over 10% leading to a surplus over budget of just under \$1k.
- Golf Lessons in the 4th quarter also beat out the budget projection by about 2% and creating a surplus over budget of about \$50 dollars.
- The golf simulator was an area of interest in the 4th quarter with the course being closed for a month our golfers were taking advantage of utilizing indoor golf. We were also able to beat out our revenue projections for the quarter by 30% creating a surplus of about \$100 dollars.
- Merchandise in the 4th quarter was a little lower than we would have wanted but when you are closed for almost a month that will hurt your sales since most of the time no one is coming in on those days. We were only a few hundred dollars short of our 2021 number for merchandise with a significant more amount of traffic flow then.
- As we always do in the 4th quarter, we completed our locker storage project, this consists of calling all those who currently have a locker and letting them know they need to renew before the end of the year. Once we know who is renewing and who is not, we can start to call on our waiting list to get them into a locker. Once committed and paid we clean out and label their new locker.
- In early October greens were aerated. This process was successful especially with the effect on the greens. The greens came back decent but an early snowfall after aeration did not help the grass grow much more.
- In October and early November, we made final mowing rounds and transitioned to leaf clean up. Both operations went well as the greens and playing surfaces were maintained

well for golfers.

- End of October and Thru November we prepared golf course and equipment for winter by installing winter pin placements in greens, removing ball washers, placing keep off ice signs around lakes. The lake fountains were removed, and the waterfall was drained and turned off. The irrigation system was drained and blown out with air compressor at the end of November.
- In early November we mounted winter cab and snow removal equipment on the multi-use Ventrac machine. We also mounted snow blades on utility vehicles in preparations for snow season.
- At the beginning of December, we had some old dead trees removed from the 3rd, 7th, and 9th holes on the golf course. We also began pruning the healthy trees.

Accomplishments/Department Update

Created a record high revenue of over \$450k.

- 2022 started out quiet with a lot of snow and closed days. Once the weather cleared up the golf course hit the ground running, quickly catching up and surpassing our budget projections. We produced the highest revenue Heather Gardens Golf Course has even seen with \$451k. That is fantastic considering the course was closed for harsh weather 85 days in 2022.
- With this amazing year we were able to come in 20% below budget, which equals out to just over \$51k in savings.
- We came in 6% above the projected budget for revenue, producing an extra \$25k in revenue.
- Our payroll budget came in 3% below budget for a savings of about \$17k.
- Operating expenses were also below budget, they came in at 4% below for a savings of about \$7,800.
- 2022 was an amazing season, we had our first month of being self-sustaining, no subsidy was needed. This was never thought to be able to happen at Heather Gardens Golf Course, but we did not just once but twice this year!

Improved customer Service. Added new customers while also reinvigorating current customers one person at a time.

- Customer service is always the top priority at the golf course, we were able to increase our customer base once again in 2022 which I strongly believe we will retain for years to come thanks in part to our customer service.
- 2022 was finally a year free of COVID restrictions, this meant we could really boost our customer service and interact with our customers better. We brought water back on the course, more customers felt comfortable coming into the shop, and we were able to have banquets comfortably again. The more face to face customer interaction we can have the better, customer retention is huge, and we absolutely killed it this year with a lot of repeat customers.

- We had a lot of positive comments on our customer service this year, and that invigorates us and tells us we are doing things right.

Leagues & Outside Events.

- 2022 was again a wonderful year for our outside leagues, we were able to retain all our 2021 leagues at Heather Gardens and even added one more tournament to the list.
- Leagues are consistent money for us and anytime we can add more it is fantastic, we have already added 3 high school events to 2023.
- All the leagues were very gracious that we could host them this year and have already stated they will be back in 2023. With the addition of a few more that have already reached out to me before 2022 ended.

Merchandise Offerings

- Merchandise in 2022 was great, we brought in some great new things that were extremely popular and sold quickly, we really feel like we are getting an understating of what our customers really want.
- Sales increased in 2022 by 11% over 2021. That is an increase of \$2,582 in sales.
- With some items on sale from last season and added items this season we were able to maintain a net profit margin right at 43.15%.

Relationships with other departments.

- The golf course is always striving to work with on our relationships with other departments, it not only helps build a stronger Heather Gardens Staff, but it can improve our ability to get tasks done in house.
- The golf and the restaurant teamed up this year in many aspects but one of the largest was our new website and the use of combined marketing. We now share a beautiful new website with Rendezvous restaurant.
- In addition to the website, we will not be using a combined marketing company to help increase our social media presence.
- The golf course teamed up with roads and grounds to fully move away from our ice melt and now will use the more ecofriendly slicer product with R &G.

Golf Lessons

- We had another momentous year with golf lessons, producing over \$8k for the year.
- In 2022 we have increased our customer base for lesson takers by 15 students, this may not sound like a lot, but most customers are repeat and over time this will make a significant difference.

The Golf Simulator.

- We had a wonderful year in 2022 with our golf simulator, producing about the same use and revenue as 2021.

- We performed a simulator enclosure update in December that completely overhauled and improved the feel and performance of the simulator. We now have a larger, safer, and more comfortable space for our customers to come practice, play, eat & drink with their friends and family.

Golf Course maintenance accomplishments.

- We successfully aerated the golf course in the spring, summer and fall with little downtime and high satisfaction from the golfers.
- We installed our new fountain with lights for the south lake, and lights for the fountain at the north lake thanks to lottery fund approval in 2021.
- We started our course bunker renovation process to get more sand in all our bunkers on the golf course, for a long time our bunkers had been neglected. The new sand is really making a difference in appearance and performance for the golfers.
- We purchased a new top dresser for the golf course, this allows us to spread sand on the greens (top dress) easier and more efficiently than before. This process helps to create a healthy more consistent surface for the golfers.
- The Golf Department staff worked extremely hard keeping the golf course in prime shape. This was, I believe, one of our greatest accomplishments of the year. Especially when you consider how little rain, we get in the summer months in Colorado. Our customers are always raving about how great of shape our golf course is always in and that is a testament to our wonderful golf course maintenance staff.

Next Quarter/Next 3-Months/Goals

- Create over \$475k in total revenue for the year. Including \$30k in golf shop merchandise, and \$10,000 in total lesson revenue.
- Continue our great customer service and keep striving to increase it to the next level. It can always be improved!
- Assess our current Point of Sale to make sure we have the best possible product for Heather Gardens.
- Continue to increase the relationships with other departments.
- Increase player development opportunities at Heather Gardens. More clinics, seminars, playing opportunities, and individual lessons.
- Add more leagues and outside events in the coming year.
- Stronger marketing of the course, golf shop offerings, lessons, and golf simulator.
- Social media presence! Facebook, Twitter, LinkedIn, Instagram, and YouTube...
- Have LL Johnson create an irrigation design for our golf course.
- Have our pond on hole #9 reconditioned.
- Conduct safety meetings each week.
- Update calendar for Aeration of Greens Tees and Fairways, closed dates, Tournaments, Leagues, and hours for tee times to be scheduled.

Budget/Projections/Expenses

- As we move into 2023, we will be spending some money in the first quarter on supplies to set us up for the season. The first quarter tends to be a quiet time for purchasing, we will certainly be able to be on par with the budget or better.
- In terms of revenue projection, we are completely at the mercy of the weather, if we have a lot of nice dry days, we will do great on revenue, but if we have a lot of snow as we did the last few years in the first quarter it will be tough.
- We do have 2 capital purchases for 2023 in the budget, a pond rehab, and an irrigation design for the golf course. Both these projects will be done when the weather warms up, so in either the 2nd or 3rd quarter.

Restaurant

Accomplishments/Department Update

- 2022 was a slow start due to covid worries, the 1st quarter sales were Jan \$ 18,822.05, Feb \$26,072.01, March \$47,997.25 Total \$92,981 and then it picked up 2nd quarter had \$164,208.47 in sales which was a nice jump. 3rd quarter stayed steady at \$161,815 and once the weather changed from everything outdoors, we saw a drop in sales to \$130,069.84. Residents are cocooning and from the folks we talked to, they are keeping away from large gatherings as there seems to be quite a lot of sickness going around in the buildings.
- Staffing has been a tough one for us again in 2023, We spent over \$7,000 in ads on indeed looking for employees, currently we have 4 servers vs 12-14 in previous years. We really noticed a difference in being spread too thin in the kitchen and dining room with all the parties and events we hosted over Thanksgiving and the Holidays
- 2022 was a bad year for food and beverage price increases, in December we were forced to raise our prices due to the cost of goods going up. Minimum wage has also gone up recently, so we are looking at more menu price increases coming in 2023.
- We hosted some special dinners and banquets, and the response was great, for 2023 we plan to host some entertainment partnering up with the clubhouse manager Montrell.
- With the addition of the two new big screen TVs, we have hosted NHL playoff, Bronco games and we plan to have a Super Bowl party for 2023, people have been enjoying them.
- We introduced the new restaurant and golf web page this year, the response was incredibly positive, we have been working with a marketing media company and are developing a new social media platform to highlight the restaurant and golf course.
- We brought back Sunday brunch in the Spring, and we have served 5072 meals since March so an average of over 100 people. Again, since the change in weather our brunch numbers are lower than the average.
- Loyalty Program Implementation

Next Quarter/Next 3-Months/Goals

- Book more parties and events and increase sales. Work with Golf Department on getting a food and beverage menu for the simulator.
- Hire another server and start getting ready for a busy summer season.
- Work on getting the social media platform set up and increase media presence.
- Work with the clubhouse on more entertainment.
- Try to get some volunteers to help with hosting and help with Sunday brunch.
- Schedule a special dinner monthly.
- Work with the pickleballs on a happy hour each week.
- Host a Super Bowl party, now we have the two large screen TV's
- Investigate promoting wedding and parties, market to non-resident groups to increase revenue.

Budget/Projections/Expenses

- Overall, the restaurant continued the trend of running lean with staffing to minimize labor expenses and maintain an acceptable gross profit percentage.
- Sales for the last couple of months have not been as strong as we budgeted, once the weather changed and got colder, traffic has been down. With HOA increase we hope it will not affect the restaurant sales; time will let us know.
- With the cost of food increasing and the minimum wage increase we will have to track pricing and react accordingly to stay within our budgeted cost of goods. Food, beverage, and labor we can control but we cannot control who walks in the door. Unlike other restaurants we do not get walk by traffic. We are a destination restaurant.
- We are working with the Director of Golf.
- in the pro shop on summer plans and how do we capitalize and capture gold food and beverage sales.
- Work closely with our food and beverage purveyors in keeping our prices and costs in line with the budget.
- We purchase new flags for golf and the restaurant to increase visibility for drive by traffic.
- We will investigate direct marketing to specific buildings offering restaurant deals.

HGA

Accounting

Accomplishments/Department Update

- Continuous improvements in efficiencies and processes have resulted in MOAs being completed and distributed to department heads by the third business day of the month. Financial Board reports are completed by the fifth business day of the month.
- 2023 Budget was approved in November. 2023 direct debit letters and coupons were delivered to residents in early December. New 2023 reoccurring charges were entered in Jenark for HGA, Seville, RV Lot, and Garden Plots. Jenark charge forecast module was used to confirm accuracy.
- Emphasis on collections in prior quarters has reduced Assessment Accounts Receivable from a high of \$377K in 2021 to around \$79K as of December 2022. Assessment AR is the lowest since 2016 when accounting for annual Assessment increases.
- Since the implementation of HB-1137 on 8/10/2022, we have posted 184 delinquency notices at Units. Each month we wait seven days after posting the delinquency before we send a certified letter return receipt. The total certified mailings for August through December have been 80.
- As of January 5, 2023, we have 1,825 units using Direct Debit or 75.2% of the community. In July 2021 we had 1,580 residents using Direct Debit. Increasing Direct Debit participation significantly reduces the time required for our cash application process.
- In 2022, we implemented the RV Lot & Garden Plot Tracking/Billing within Jenark, and it has been a success. With this process being automated, minimal resources are used to monitor and maintain it.
- Implemented the new ASC 842 Leasing standards.
- Continue progress on cleaning up the property management system.

Next Quarter/Next 3-Months/Goals

- Continue to strengthen and document control environment.
- Continue progress on cleaning up the property management system.
- Review other property management accounting systems.
- Monthly statements with a balance to residents once we increase our part-time Accounting Clerk to a full-time position.
- Update capital reserve report.
- Begin quarterly community presentation on “Understanding HGA & HGMD Financial Statements.” This will be pushed back to later part of 2023.

Communications/Administration Office

Accomplishments/Department Update

- The department has seen some changes the last quarter of business. The original manager departed, and we have moved forward with promoting the Board Assistant to become the Administrative Manager. The Administrative Manger will continue support of the Board & Committees while now having oversight of the Administration office. The Administrative Office oversees work order coordination and resident services. In addition, the position will have a communications/Administrative support position reporting within the team as well. We are currently hiring for this support position.

Next Quarter/Next 3-Months/Goals

- The Administrative Manager has sat down with the CEO to review carryover goals and they are in the process of prioritizing these goals for the next quarter and go forward. Among these goals are the following items.
 - Hire Administrative Support Role for Department
 - Review Current Communications Platform – Utilize to Fullest Extent
 - Website Opportunities and Upgrades
 - Updating Current Website Ad-Hoc & As Needed
 - Review and Implement Social Media Platform/s for Communication

Contracts/Facilities

Accomplishments/Department Update

The Department has completed the following 2022 Capital Reserve Projects:

- 2022 Carpet Replacement Project – Complete.
- 2022 Asphalt Project in CP-4 – Complete.
- 2022 Seville Drainage Project – Complete.
- 2022 HGMD Maintenance Parking Lot – Drainage / Asphalt project/ New Gate - Complete.
- 2022 HGMD Clubhouse Paint Project – Complete.
- 2022 HGMD RV Parking Lot – Fence repair is Complete. Waiting on final decision for Security i.e., Cameras, Fencing.
- 2022 FPE Panel Replacement – Complete
- 2022 Elevator Jack Replacement at B243 and 250 Complete. B244 Elevator Jack - Complete.
- 2022 Roof Replacement B221 and 222 – Complete.
- 2022 Parking Structure Maintenance Plan – Stair Replacement was Approved in

- December 2022. Contract will be released to the awarded vendors in January of 2023.
- Made a Special Projects List for 2023 for in-house big projects. This will be a never-ending list as projects are completed and added.
 - All 2022 Concrete Handrail Cap Res projects completed and invoiced.
 - STH damage to structure from garage into unit restoration completed. HGA maintenance billable totaled \$4,452.
 - STH replacement of basement sewer lines under concrete completed. Both basements have been fully restored.
 - 232 Unit restoration after drain back-up. Kitchen cabinets and a lot of laminate flooring.
 - Maintenance building cantilever and pedestrian gate installed.
 - Building 233 on southside of the parking deck remove trees and grind stumps completed. This was phase two of three - remove trees that are too close to the foundation.
 - Building 231 on northside of the parking deck removed trees and grind stumps completed. Trees were too close to the foundation.

Next Quarter/Next 3-Months/Goals

- Update, Distribute RFP for 2023 Carpet Replacement.
- Update and Distribute RFP for 2023 Roof Replacements.
- Conduct Pre-Construction Walk-through and Collect Vender Pricing for 2023 Carpet Replacement.
- Conduct Pre-Construction Walk-through and Collect Vender Pricing for 2023 Roof Replacement.
- Conduct Pre-Construction Walk-through and Collect Vender Pricing for the 2023 Building Paint Project.
- Release Contract to awarded vendors to remove and replace the (5) remaining sets of stairs at the Parking Structures.
- Continue to Work with HG Security Department on Parking Structure Security Camera Pricing/ Project.
- Continue to work with BC&E on submitting their design proposals to continue the Parking Structure Maintenance Plan project.
- Create and submit for approval the 2023 Capital Reserves for: Concrete & Railing Projects, Chair rail projects for Buildings 221, 222 and 250, Building 217 recirculation project.
- Building 214 chair rail project – asbestos abatement, order chair rail, get chair rail installation quote and schedule all ASAP. The paint shop will be ready for these items be completed by the 1st week of February.
- Get quotes for a new Club indoor pool filtration system and replaster outdoor pool.
- Club outside pool boiler installation scheduled for 1/23 – 1/24.
- Club HVAC computer software update completion scheduled for this coming Monday 1/9/23.

Budget/Projections/Expenses

- Releasing Down payment to vendors performing the work to replace the remaining sets of stairs at the Parking Structures.

Custodial

Accomplishments/Department Update

- For the fourth quarter the Custodial staff has done a fantastic job of improving communication and teamwork.
- We started carpet cleaning in the buildings. We have completed the Seville buildings. With holiday decorating on the horizon, we decided to pause carpet cleaning until after the holidays. We will resume January 9th
- We have made maintaining our equipment an important part of what we do. We are making progress with this. This was a substantial change within the staff. The staff has taken the challenge.
- Continuing to build our team has been a process. Getting to know the staff better has allowed me to recognize some strengths that will make us stronger. We have made great progress within our team in terms of the response to the coaching.
- We have been able to consistently order supplies and stay within our budget. Recognizing trends and past ordering habits has allowed for more flexibility to purchase products of need.

Next Quarter/Next 3-Months/Goals

- Complete carpet cleaning
- Implement a maintenance log for equipment

Budget/Projections/Expenses

- We have ordered 3 new vacuums to replace the vacuums that are unrepairable.

Human Resources

Accomplishments/Department Update

- The final quarter brought quite a few things from the Human Resources Department, most specifically a change of PEO Administration. Heather Gardens has moved to a more comprehensive suite of PEO Services. These changes include an overall net savings between the new versus old PEO Service Company. In addition to an overall saving the new PEO Service brings trainings opportunities, comprehensive benefits, on-demand reporting capabilities and easier to use systems for staff overall. This change will benefit the bottom line and will help reduce internal tasks (Accounting & Human Resources)

that were once required for the previous PEO. So, during the last quarter much time has been dedicated to implement this change to ensure employees are within the system, required metrics set up, and benefits seminars/elections occurred.

Next Quarter/Next 3-Months/Goals

- Continue to work with new PEO to customize and tailor the program to HG
- Review Safety Opportunities/Programs with New PEO
 - HGA Specific Document Acknowledgments
 - General Safety Programs
- Post Current Positions through PEO Portal
 - Hire Current Open Positions
- Support the Business and the Managers as needed

Maintenance

Accomplishments/Department Update

- 219 chair rails projected completed on 11/18/22
- 220 recirculation projected completed on 10/21/22
- Gutter cleaning all cps and town homes completed on 11/7/22
- Roof maintenance all buildings completed on 10/31/22
- 219/ 217 exit doors replaced completed on 10/22/22
- Purchased new equipment for maintenance shop.
- All training completed for the year.
- All reviews done on time and Complete.
- Refinished men's shower unit and added new seat in the clubhouse shower area.

Next Quarter/Next 3-Months/Goals

- Continue to hire for 3 positions in maintenance
- Cleaning of the mechanical rooms, boiler rooms in all buildings. Before new rotations in Feb 2023.
- Asbestos training 2023.
- Set up training for maintenance techs for 2023.
- Set up new inspection schedules for 2023, start in Feb 2023
- 214 chair projects by March 2023.
- Setting up schedules for the following, dryer vent cleaning, restriping of parking lots, etc.

Budget/Projections/Expenses

- In-Progress, OPEX budget Draft review – it is appearing based on Cost of Good increases that the Maintenance Department budget may need to increase from 2022 to cover

materials and so on.

Roads & Grounds

Accomplishments/Department Update

The final quarter of the year was an especially busy time for R&G. We finalized our mowing and pruning schedules, aerated and fertilized the property, winterized the irrigation system, completed approximately 80% of the leaf clean-up, completed special projects, and battled an exceptional amount of snow.

Pruning Crew:

- Spent a lot of time pruning trees and chipping cut limbs
- Finalized pruning schedule and finished outstanding work orders
- Installed an HGMD funded bench pad and retaining wall
- Preparation for and regrading of stump grinds
- Tree removals
- Christmas light installation

Mow/Special Projects Crew:

- Final mowing, trimming and edging property for the season
- Clean-up of drain pans
- Leaf clean-up and removal
- Removal of poor turf with installation of rock beds
- Aeration and fertilization of the property

Irrigation Crew:

- Replacing leaking or nonoperational valves
- Replacing sprinkler heads that were broken during mowing/aerating operations
- Winterization of irrigation system

Next Quarter/Next 3-Months/Goals

- Write, finalize, and gain approval for mowing PM's.
- Write, finalize, and gain approval for pruning PM's.
- Finish held over special projects (replacement of 500).
- Hire at least 2 full time employees.
- Complete 2023 CapEx requests for committee approval.
- Garner HGMD Foundation approval and capital for landscape improvement projects property wide.

Budget/Projections/Expenses

- We expect our biggest budgetary items to be for snow removal products for the first quarter of 2023.

Security

Accomplishments/Department Update

- The Security Department worked with Human Resources to place an ad on Indeed for a security position, to fill the need for an eighth officer and to also prepare to fill the need for a ninth officer, pending the passing of the 2023 budget.
- Due to the change of my position in the Security Department, going from Compliance Officer to Security Manager, it left a void in having a Compliance Officer to assist with daily operations. After posting the position intradepartmental and interviewing the qualified candidates, it was determined that Kaleb Smith would be best suited for the position. The position was offered to Kaleb. He accepted and has taken on the role, and in doing so has shown his dedication to improving his knowledge and proficiency within the department.
- Security Department tools have been shared with all officers. Everyone has the access and responsibility to utilize HGA Masters, Piler and all governing documents, i.e., Declaration, PMA-1, Legal 6, Legal 3, etc.
- In the fourth quarter of 2023, the Security Department utilized the security grant from the City of Aurora to add two additional security cameras at the Heather Gardens Community Center. These cameras cover the entrance to the clubhouse and the West side parking lot. The grant also covered the installation of extra L.E.D. lighting at the Maintenance Shops and the HGCC parking lot.
- Incident reports and data collection for the four parking structures was collected and submitted to C.E.O. This data will assist in decision making for allocation of funds, with regards to the safety and security of the parking structures. All decisions regarding this project will take place in 2023.
- The quarterly changing of the building codes for realtors, contractors and employees will be completed by 1/10/2023.
- Submitted a new schedule, to include a ninth officer and to ensure that each shift always has two officers on shift.

Next Quarter/Next 3-Months/Goals

- Ensure that all officers receive proper and professional firearms/training and certifications. With an emphasis on tactical and situational response to a multitude of threat levels.
- Ensure that all officers attend a business/technical report writing course. This will improve the report writing within the department and set a standard requirement for all submitted reports.
- Coordinate with Maintenance to outline a process for Security to be able to assist in mitigating property damage to the HG Community, via training on building water and electric emergency shut-off procedures. To assist the Security team with acquiring basic maintenance aptitude skills.

- Schedule quarterly security meeting.

Budget/Projections/Expenses

- Based on the 2023 Security budget, I project that we will be within budget for the year. Due to the trends in vehicle repairs, this is the only category that we may run into issues with at some point.

Heather Gardens Clubhouse/Restaurant Committee Meeting

January 9, 2023

Chair Maria Mines opened the meeting at 10:00 AM in the HG Board Room with a quorum present. Report of December 12th meeting was approved as written.

Report by Club House Manager. Montrell Anthony's report detailed the financial statement presented to the committee. He explained how some figures appearing in the report may not have been reconciled from previous months until now, so there may be a difference in the timing of reporting certain figures from month to month. He was able to answer questions and concerns of the committee with this type of line-by-line report. In response to a question from committee members regarding classes and the advertising of class availability, he stated that Julie Racich, Assistant Clubhouse Manager, is creating a Heather Gardens Clubhouse Facebook page which could include advertising of classes and their availability. Repair of the outdoor pool will begin in March 2023, with opening scheduled on Memorial Day. Cleaning of the indoor pool filtration system is being coordinated by Jon Howell and is currently in the bidding process.

In response to a question by committee members regarding what managers want from the Clubhouse/Restaurant committee, Montrell stated that he would provide written needs and requests at the February meeting. He also stated that support by the community for Clubhouse activities is very important, and he welcomes feedback and suggestions to that end. Committee members commented that the detailed manager's report on finances was very helpful and recommended that it be done by both managers each month.

Report by Restaurant Manager. Cormac Ronan was absent from the committee meeting due to a prior health appointment commitment.

Unfinished Business. Committee members were given copies of the Procedure Memorandum (PM) for the Clubhouse/Restaurant Committee. Questions regarding the PM and its interpretation were raised, so a workshop was suggested to review and possibly edit its contents. CEO Jon Rea highly approved the idea of a workshop for this purpose. Chair Maria Mines will be in charge of organizing the upcoming workshop before the next meeting. Another committee member suggested participation in annual meetings with managers for coordination and feedback before budget meetings.

New Business. A Procedure Memorandum Workshop was tentatively set for January 30, 2023 at 10:00 AM in the Board Room. There were no comments from the Zoom audience.

With no further business to discuss, the meeting was adjourned at 10:45 AM.

The next Clubhouse/Restaurant Committee meeting will be held on 13 February 2023, at 10:00 AM.

Lenora Tracy, Secretary

Foundation Committee Report For January 11, 2023

Committee: Eloise Laubach, Chair, Becky Cole, Charlene Pluchek, Terry Schumacher, Mavis Richardson, Vicki Spillane

The meeting was called to order at 1:00. A quorum was present. Charlane was absent.

Chair Comments centered on a meeting I had with Jon Rea and Matt Martella concerning suitable projects for Foundation funding.

Notes of November 9, 2022 meeting were reviewed and accepted.

Financial reports were reviewed.

Unfinished Business:

Someone (not a committee member) updated the Foundation Donation form. It is still not to the Committee's satisfaction.

New Business

The following notes were taken by a committee member:

Reviewing the updated Donation form was Tabled.

Matt Martella (head of Roads and Grounds) attended the meeting and explained his requests for money to fund projects. He wants to fund projects that will make the biggest impact on the community in terms of improving the looks of Heather Gardens. After considerable discussion and explanation, four projects were approved by the committee and will be taken to the HGMD Board for approval:

1. \$500 for Flowering Annuals to be planted in new flower beds planned for in front of the Heather Gardens sign on Yale in order to approve the appearance.
2. \$1200 for 14 pads underneath 14 benches along South Heather Gardens Way and Marina Drive. Eventually, Matt would like to see us replace many of the benches, as well, as they give an unsightly appearance to people driving by. For now, just amending the pads underneath the benches will add curb appeal, ease of maintenance, and support for the benches.
3. \$1300 for a pad and bench for the area along the golf path to the south of building 215. There are presently no benches along this section of the pathway, and the bench will also assist in ameliorating ruts in the grass in this area.
4. \$3,300 for removal of weeds and to plant good quality sod in order to begin to enhance the area along Yale between S. Abilene street and E. Marina Dr in what is known as "the Yale Island." Soil amendment/prep will also be needed. This is the

beginning of a process to create more “Water Wise” areas on the Heather Gardens property.

The Foundation Committee voted to fund the entire \$7000 cost for all of these projects.

Next, we discussed the Foundations Donation Summary. The spreadsheet we reviewed was rather confusing to committee members as it didn’t seem to clearly explain where our money was coming from and where it was going. In particular, we needed further explanation of the interest earned on the Foundation’s investment and what \$1415.45 was spent on. Eloise asked Jerry Counts to come into the room to address our concerns. The spreadsheet has balances on it (Roads & Ground, \$324.50; Club House, \$375.70; and Golf, \$50) carried over from prior years which had been spent in those categories some time ago. When people donate money for a particular area we need to make sure their wishes are honored and that our Donation Summary reflects that the money is spent properly. Jerry said he would see if there was a clearer way to reflect where the money came from and where it was spent. The Committee will also review spending categories and determine how to ensure that money donated to us is actually spent in the way it was intended.

In addition, members of the committee learned that the \$1415.45 was actually the sum total of all the money earned from our investments in 2022! Apparently, 3 or 4 years ago the state required HGMD to separate our invested money from theirs. Committee members assumed this might be to ensure that the committee receives the money earned to spend through the Foundation’s donation process. However, HGMD began charging the Foundation Committee the exact amount earned through our investments, in this case, \$1415.45, for “Management fees” to “Manage” the money. Charging 100% of the investments as “Management Fees” seemed highly excessive and possibly illegal to committee members. Jerry said he would speak with the HGMD Board and let them know that the committee was upset and “wanted to take him to the woodshed” over this practice.

The meeting was adjourned at 2:36 pm.

Submitted by Eloise Laubach

HGMD TREASURER'S REPORT for JANUARY 2023 BOARD MEETING

Highlights of District Operations

For the Twelve Months ended December 2022

Enterprise Fund:

Enterprise Fund revenue through December was \$2,707,446 which is \$17,723 less than budgeted. Enterprise Expenses were \$2,389,999 which is \$475,970 less than budgeted. Recreation Fee income of \$1,497,128 is as expected. Golf revenue is \$25,840 more than budgeted, Golf expenses are \$25,572 less than budgeted. Clubhouse revenue is \$2,235 less than budgeted and Clubhouse expenses are \$46,327 less than budgeted. Restaurant revenue is \$46,736 less budgeted and expenses including the cost of goods sold were \$23,528 less than budgeted. Capital Expenditures of \$174,913 have been recorded including \$92,758 from 2021 projects completed in this year.

Restricted Funds

Conservation Trust Fund (Lottery). In December, the District received a quarterly distribution from the Colorado Lottery of \$5,393. For the year, the District received \$20,182 from the Lottery which was about \$1,200 more than anticipated. Year to date revenue was \$20,316 including interest earned. Lottery funds of \$23,369 have been used to fund District recreation projects. At December 31st there was \$149,823 in the Lottery bank account.

Foundation Fund. The Foundation Fund has received \$4,723 in donations and interest income through December and \$6,466 has been spent. The Foundation bank account has a balance of \$40,018 and investments amounting to \$150,000 at maturity.

Debt Service Fund. Property tax collection for the year was \$500,753. Specific ownership tax revenue for the year was \$32,060. The Debt Service bank account has a balance of \$127,813 at the end of the month. A bond principal payment of \$280,000 and bond interest payment of \$153,700 was paid on December 1, 2022.

FOR THE MONTH ENDED DECEMBER 2022

	Budget	Actual
Clubhouse Subsidy	\$(49,040)	\$(55,808)
Golf Subsidy	\$(36,833)	\$(32,328)
Restaurant Subsidy	\$(6,552)	\$(18,222)

YEAR TO DATE THROUGH DECEMBER 2022

	Budget	Actual
Clubhouse Subsidy	\$(638,226)	\$(594,134)
Golf Subsidy	\$(261,734)	\$(210,682)
Restaurant Subsidy	\$(88,196)	\$(111,408)

**HEATHER GARDENS BUDGET & FINANCE COMMITTEE
JANUARY 16, 2023, MEETING REPORT
COMMITTEE MET IN BOARD ROOM
MEETING ALSO AVAILABLE ON ZOOM**

TO: Members of the Heather Gardens Budget & Finance Committee, HGA Board of Directors, HGMD Board of Directors, Chief Executive Officer, and Chief Financial Officer.

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, Randy Lane, Richard Ferguson, John Recob and Bev Havens

Staff: Jon Rae, CEO; Jerry Counts, CFO.

Audience: Approximately 22 residents, including HGA Board Members and HGMD Board Members

Welcome and Chair Comments: The B&F Committee meeting was called to order at 10:00 AM. A quorum was established. Co-Chair Hostetler welcomed all members and guest.

The December 19, 2022, B&F Committee meeting report was accepted with two corrections.

Monthly Operating Analysis Review: Jerry Counts, CFO, highlighted the December 2022 financial statements for HGA and HGMD. All questions were answered. The financial statements presented were preliminary for the month of December and year to date. At the end of January, Jerry will provide updated financial statements which will be sent to the Auditors along with B&F members and the Boards. At the conclusion of the Audit, Jerry will provide final 2022 statements including audit adjustments, if any.

Subcommittee and Other Reports:

Audit Subcommittee: Report was reviewed.

Insurance Subcommittee: No meeting was held. The appraisals of HGA property has been completed.

Capital Projects Subcommittee: No Meeting was held. However, a meeting will be scheduled in the near future regarding planning for 2023 actions.

Investment Update: Update by Nice Group. Investment rates were reviewed. Currently US Treasury notes are paying slightly less than 4% for four-year investments. Nearby investments are paying a higher rate of interest than long term. For example, 10-year investments are paying about 3.97% whereas 1 year investments are paying about 4.41%.

HGA currently has \$1.2 M in Money Market account which can be reinvested in US Treasuries Also before July 1st, about \$974,000 of CD's will mature and an additional \$400,000 in CD's will mature before December 31, 2023.

Motion by Nash, seconded by Baldwin and passed unanimously the HGA Treasurer working with the CFO reinvest the \$1.2 M currently in Money Market account into Treasuries and consider doing the same when CD's mature throughout the 2023 year.

Unfinished Business: In future agendas, review of JPM B-1 will be included under unfinished business.

New Business:

- 1) Presentation and discussion on Investment in Maturing CD's by the Nice Group. See notes above regarding Investment Update.
- 2) Bev Havens was introduced and welcomed as a new member of the Committee.
- 3) Motion by Lane, seconded by Baldwin and passed unanimously that the Heather Gardens Association Board of Directors and the Heather Gardens Metropolitan District Board of Directors approve Ray Nash's appointment to the Budget and Finance Committee for a seventh year.
- 4) Motion by Baldwin, seconded by Havens that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve carrying forward 2022 spending authority to the 2023 budget year a total of \$71,158 for projects not completed in 2022, as follows:

HGA Project – F787 R&G Equipment Chipper #569. Carry over amount \$20,188.

HGA Project – F788 R&G Equipment Pickup Truck #500. Waiting on Vendor. Carry over amount \$51,330.

After discussion, the following additions were made to the carry forward motion.

HGA Project – F807.8 Security Cameras for Parking Structures. Carry forward amount \$54,496

Project F801 BC&E Parking Structure Recommended Repairs (PS1-PS4) \$500,000.

The additions to the motion were approved by the maker and second to the motion. The motion passed unanimously.

- 5) Motion by Recob, seconded by Nash and passed unanimously that the Budget and Finance Committee recommend that the Heather Gardens Metropolitan District Board of Directors approve carrying forward 2022 spending authority to the 2023 budget year a total of \$7,237, as follows:
Project D601 – Clubhouse Update HVAC System Software and Computer \$7,237.
- 6) Information only – The HGA Board will take action at the January 17, 2023, regular Board meeting regarding the three-bid requirement for Parking Structure Repairs and Maintenance.
- 7) The June meeting of the Budget and Finance Committee will be held on Friday June 16th at 10 AM. The Management Office will be closed on Monday, June 19th. Meeting on June 16th will allow the B&F Committee to review financial statements and make recommendations regarding any motion prior to the HGA Board Meeting on Tuesday, June 20th.
- 8) The February meeting of the Budget and Finance Committee will be held on Friday February 17th at 10 AM. The Management Office will be closed on Monday, February 20th, President's Day.

Members of the audience wishing to speak on non-agenda items:

David Kennedy, Chair of the Long-Range Planning Committee requested that a member of the B&F Committee volunteer to serve on the Long-Range Planning Committee. The committee is requesting 1 member from each of the standing committees serve on the Long-Range Planning Committee.

The meeting was adjourned at 12:15 PM. The next meeting will be on February 17, 2023, at 10 AM in the Board Room and via Zoom.

**Heather Gardens Metropolitan District
Board Action
Date: January 26, 2023**

Motion: Approve Garden Plot Sprinkler System Upgrade Project (\$29,953.48)

Based on the recommendation of the HG Management and Budget and Finance Committee, I move that the Heather Gardens Metropolitan District Board of Directors approve the contract with Sun Light Sprinkler & Irrigation to perform the labor and materials to upgrade the Garden Plot sprinkler system. The project cost is \$28,258, plus a change order reserve of \$1,695.48 for a total cost of \$29,953.48.

Motion by: David Funk 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

Explanatory: See attached Request for Capital Expenditure. It has been 30 years since the Garden Plot was updated. This sprinkler system upgrade will provide adequate water distribution, efficiency, safety, and better access for our garden renters.

HEATHER GARDENS METROPOLITAN DISTRICT REQUEST FOR CAPITAL EXPENDITURE

PROJECT: Garden Plot Sprinkler System Upgrade Project

D601

DEPT: HGMD – Garden

DATE: 12/2/2022

BUDGET	Budget Amount: \$ 30,000	Contract Amount: \$ 28,258	
Year: 2022	Expended YTD: \$ _____	Change Order Res.: \$ 1,695.48	
Tab: _____	Unexp. Balance: \$ _____	Total Project Cost: \$ 29,953.48	
Pg: _____		Add. Funds Request: \$ _____	

DESCRIPTION: This project is to update/ replace the existing sprinkler system located within the HGMD Garden Plot area. The project includes the installation of a hose bib, isolation valves, and pavers throughout the plot, providing more accessibility for the users.

JUSTIFICATION: (Attach backup material as required)

It has been 30 years since the Garden Plot area has been updated. The purpose of this project is to update and provide adequate distribution of water, efficiencies, safety, and better access for the garden plot users. Currently numerous plot owners are on one system which has created issues in the past when there is a break, leaking, etc.

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

The Association has vetted and reviewed multiple bids from vendors to determine the best solution for the Garden Plot area, services required, and vendor engagement. HG staff has confirmed the bids provided are still valid as of 12/1/22. The Association has also reviewed the option of completing the work in-house, using the Roads and Grounds team.

Sun Light Sprinkler & Irrigation: \$28,258.

James Landscaping: \$52,920.

Roads & Grounds/ HGA – Unable to complete work due to expertise and scope.

Powell & Sons, Hawkings Brothers, Colt Fence/ Landscape, Arrowhead Woodys – All vendors were provided the scope and either declined or did not provide a bid/quote for service. (See attached sheet in packet)

RECOMMENDATION: The Association recommends to the HGMD Board of Directors to hire/ contract Sun Light Sprinkler & Irrigation to perform the labor and materials necessary to upgrade the Garden Plot sprinkler system. The cost of this project is \$28,258. A 6% change order reserve in the amount of \$1,695.48 to cover the cost of unforeseen issues to complete the project has been added. This project is not to exceed \$29,953.48 with prior HGMD 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 type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur <input type="checkbox"/> Concur with Justification 12/13/22	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input type="checkbox"/> Concur <input type="checkbox"/> Non-concur	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Non-concur [Signature]	<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.



Sunlight Sprinkler
303-801-2494

4905 S. Algonquian Way
Aurora, Colorado
80016
United States

Prepared For
Heather Gardens Metropolitan
District
2888 S Heather Gardens Way
Aurora, Colorado
80014
United States

Estimate Date
08/29/2022

Estimate Number
1103

Reference
Garden plot irrigation
and Paver pad

Description	Rate	Qty	Line Total
Hose bib Installation - Remove and plug/cap existing hose bib piping and components - Expose and connect to existing PVC mainline to trench in new 1" schedule 40 PVC pipe into approximately (83) garden plots approx. 2-4' feet. - Convert new 1" PVC to 3/4" schedule 40 PVC pipe plus fittings 18" above ground vertically - Install (brass) garden hose bib valve plus fittings to PVC pipe - Dig and bury 4"x 4" cedar post 18' to 24" below ground and compact. Post to sit approximately 18" above grade - Anchor and attach all hose bibs to cedar posts with metal brackets - Install 3 - 1" PVC ball valve drains to the lowest points in existing mainline and bury in 10" round box's for winterizations/freeze protection. - Flush and test system. - Clean up and haul away construction debris.	\$23,779.61	1	\$23,779.61
Note: All hose bibs and posts will be approximately 18" above ground. All new locations will be located inside garden beds but non specific due to existing mainline location connection points and existing obstacles, ..etc.			
Isolation Valves - Install 6 - 1" PVC ball valves inline of existing mainline and buried in a 10" round valve box to isolate mainline sections for repairs/maintenance.	\$950.69	1	\$950.69
Paver Construction - Deliver and Install approx. 450 sq ft. of Pavestone 12"x12" stepping stone (color to be determined)	\$3,528.00	1	\$3,528.00

- Prepare paver site by removal and grading of existing area
- Compact grade area
- Lay paver on a base layer of sand inside existing lumber edge restraint
- Cut pavers to fit tightly inside lumber edge restraint
- Compact pavers into sand
- Clean up and haul away all construction debris

	Subtotal	28,258.30
	Tax	0.00
	Estimate Total (USD)	\$28,258.30

Notes

Garden plot foliage must have die back and be clear of foliage to begin project. Estimate does not include removal or clean up of garden foliage and or obstacles in the way of proposed plumbing or construction areas. All removal and clean up of foliage and garden debris will be additional. Sunlight sprinkler will not be responsible for hoses, irrigation sprinklers, damaged or disrupted garden plot decorations/ornaments, pavers, or any garden plot plants and vegetables.

Project estimated start to be 10/15/22 to 11/30/22. Estimated 7 to 10 days onsite for project completion. Project completion dependent on seasonal weather. Timeline map can be provided before project start.

Terms

Estimate price good for 30 days from date 8-29-2022

Above quoted items are estimates only and costs are subject to change due to unforeseen obstacles underground and or unusable plumbing. All change orders and additional costs need clients written approval and authorization before any change order items are performed or installed.

Payment Terms -

- 10% due upon scheduling
- 50% due at project start
- 40% due upon completion

- 1 year warranty from date of installation for all parts and service, unless otherwise termed. Not to include freeze damage from improper winterization, broken parts or components from mowing or lawn maintenance, pets, sports, fire pits/bbq's, stakes, or any construction not performed by Sunlight Sprinkler. Sunlight Sprinkler does not assume any responsibility for irrigation timer programs, altered timer programs, or lost irrigation timer programs due to faulty power outlets, power outages, or any loss of electrical power. There is no warranty on sod or grass seed installed by Sunlight Sprinkler.

Sunlight Sprinkler does not assume any responsibility for damaged lighting fixtures from snow removal, or cut or damaged lighting wire, transformers, or lighting fixtures from landscape and or construction renovations not performed by Sunlight Sprinkler. Sunlight Sprinkler does not assume any responsibility for loss of power to any outlet or power source for low voltage lighting.

- Utility Policy

Major Utility locates, (electrical, water, cable, and gas) will be requested 3 to 7 days prior to project start. Project start will not commence until utility locates are completed and verified by all utility entities involved.

The homeowner or property owner is responsible for marking homeowner or property owner installed utilities on the property. This includes, but not limited to invisible dog fences, outdoor electrical lines, irrigation pipes, septic lines, natural gas or propane lines, etc. Sunlight Sprinkler does not assume liability for damage to unmarked utilities.

-Homeowner or property owner agrees that Sunlight Sprinkler may use any photos taken of the project for advertising or promotional purposes.

- Insurance coverage

Sunlight Sprinkler carries a \$2,000,000 general liability insurance policy and current Worker's Compensation on all employees.

All major credit cards, checks, and cash accepted. A 2.5% surcharge will be added to all Credit Card payments. Makes checks payable to Sunlight Sprinkler. A 5% surcharge will be added every 30 days to invoice amounts past due upon completion date. Thank you for your business!

Shane Plummer - Owner/operator
303-801-2494
Email: info@sunlightsprinkler.com

Client Signature _____ Date _____

Constructor Signature _____ Date _____

HEATHER GARDENS GARDEN SPRINKLER SYSTEM UPGRADE

SUMMARY OF CONTRACTOR CONTACTS MADE IN SEARCH OF QUOTES

1.) POWELL & SONS – February 18, 2022, submitted internet request for quotation. No response received.

2.) HAWKINS BROTHERS – February 18, 2022, left voice mail requesting call back to discuss request for quote. No response received.

3.) SMITTY'S SPRINKLERS – February 18, 2022, left voice mail requesting call back to discuss request for quote. Call back received February 19. Owner declined to submit a quote due to a lack of personnel.

4.) COLT FENCE & LANDSCAPE – February 18, 2022, submitted internet request for quotation. No response received.

5.) WOODYS SPINKLER – March 4, 2022, submitted internet request for quotation. March 5, 2022, declined to submit a bid because we are not within their service area.

6.) DELFINIO LANDSCAPING – March 4, 2022 submitted internet request for quotation. Met Delfinio at the Heather Gardens Garden area. No communication after this visit.

7.) ARROWHEAD – March 4, 2022, submitted internet request for quotation. No response received.

8.) JAMES LANDSCAPING LTD. – March 4, 2022, submitted internet request for quotation. Later met with owner at Heather Gardens Garden area, March 8, 2022, received quote for sprinkler work – total of \$52,920. Also included a quote for rebuild of plot borders of \$95,040.

9.) SUNLIGHT SPRINKLER AND IRRIGATION – March 4, 2022, left voice mail requesting quote. March 10, 2022, met with owner at the Heather Gardens Garden area. March 21, 2022, received quote for \$22,215.00. August 29, 2022, met to incorporate plot #51 as part of the existing community garden. Lay pavers in the community garden. Final quote, \$28,258.30.

WORK ORDER CONTRACT

HEATHER GARDENS METROPOLITAN DISTRICT

1. **CONTRACTOR.** The Heather Gardens Metropolitan District (the "District") hereby retains Sun Light Sprinkler & Irrigation (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 TBD, 2023 or when otherwise advised by the District. The Contractor shall complete all the Work by TBD, 2023.

3. **SCOPE OF WORK.** The "Work" contracted for pursuant to this Work Order shall consist of the following: Sun Light Sprinkler and Irrigation will upgrade the existing sprinkler system located within the Heather Gardens Garden Plot by installing a new Hose Bib, Isolation Valves, and Pavers per the attached Sun Light Sprinkler & Irrigation proposal.

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 **\$28,258** by the District for Work satisfactorily performed either (a) on a 10% deposit on scheduling, 50% due at project start date and 40% upon approved 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:

By: _____
Its: _____

CONTRACTOR:

Sun Light Sprinkler & Irrigation

By: _____
Its: _____

Date: _____

Date: _____

EXHIBIT A

Certification Regarding Illegal Aliens

I, _____, as _____ of Sun Light Sprinkler & Irrigation, 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:

Sun Light Sprinkler & Irrigation

By: _____

Its: _____

Date: _____

**Heather Gardens Metropolitan District
Board Action
Date: January 26, 2023**

Motion: Approve to Extend Ray Nash’s Appointment to the Joint Budget and Finance Committee for a seventh year

Based on the recommendation of the Joint Budget and Finance Committee, I move that Heather Gardens Metropolitan District Board of Directors approve Ray Nash’s appointment to the Budget and Finance Committee to be extended for a seventh year.

Motion by: David Funk 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: Ray Nash has financial experience valuable to the Budget and Finance Committee and the Capital Program Subcommittee

**Heather Gardens Metropolitan District
Board Action
Date: January 26, 2023**

Motion: Approve Carry Forward 2022 Spending Authority to 2023

Based on the recommendation of the Budget and Finance Committee, I move that the Heather Gardens Metropolitan District Board of Directors approve carrying forward 2022 spending authority to the 2023 budget year a total of \$7,237, as follows:

Project D601 – Clubhouse Update HVAC System Software and Computer \$7,237.

Motion by: David Funk 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 Metropolitan District
Board Action
Date: January 26, 2023**

Motion: Approve 2023 Annual Administrative Resolution

I move that the Heather Gardens Metropolitan District Board of Directors approve the 2023 Annual Administrative Resolution which is attached.

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

**ANNUAL RESOLUTION OF
THE BOARD OF DIRECTORS OF THE
HEATHER GARDENS METROPOLITAN DISTRICT**

At a special meeting of the Board of Directors of the Heather Gardens Metropolitan District, City of Aurora, Arapahoe County, Colorado, held at 1:00 P.M., on Thursday, January 26, 2023, at Heather Gardens Clubhouse, 2888 S. Heather Gardens Way, Aurora, Colorado, via video conference at <https://us06web.zoom.us/j/89041034744?pwd=UXltdmhvQzl5YXNZWU5GOVY3YkZDQT09>, and via telephone conference at Dial In: +1-346-248-779; Meeting ID: 890 4103 4744; Passcode 793205; at which a quorum was present, the following resolution (the “Resolution”) was adopted:

WHEREAS, the Heather Gardens Metropolitan District (the “District”) was organized as a special district pursuant to an Order of the District Court in and for the County of Arapahoe, Colorado, dated April 6, 1983 and is located within Arapahoe County (the “County”); and

WHEREAS, the Board of Directors of the District (collectively referred to as the “Board” or individually as “Director(s)”) has a duty to perform certain obligations in order to assure the efficient operation of the District; and

WHEREAS, Section 32-1-306, C.R.S. requires the District to file a current, accurate map of its boundaries with the County Assessor, County Clerk and Recorder and the Division of Local Government (the “Division”) on or before January 1 of each year; and

WHEREAS, Sections 24-10-109 and 24-32-116, C.R.S. require that the District provide its name, its principal address and/or mailing address, the name of its agent and the agent’s mailing address to the Department of Local Affairs (the “Department”) and keep such information updated regularly; and

WHEREAS, Section 32-1-809, C.R.S. requires that the Board provide notice, containing certain information about the District, to the eligible electors of the District no more than sixty (60) days prior to and not later than January 15; and

WHEREAS, Section 32-1-104(2), C.R.S. requires that the District, on or before January 15, file a copy of the notice required by Section 32-1-809, C.R.S. with the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder in each county in which the District is located, the governing body of any municipality in which the District is located and the Division; and

WHEREAS, the Local Government Budget Law of Colorado, Sections 29-1-101 *et seq.*, C.R.S., requires the Board to hold a public hearing on proposed budgets and amendments thereto, to adopt budgets and to file copies of the budgets and amendments thereto; and

WHEREAS, Section 29-1-205(1), C.R.S. requires the District to file a current list of all contracts in effect with other political subdivisions within thirty (30) days of receiving a request therefor from the Division; and

WHEREAS, in accordance with the Public Securities Information Reporting Act, Sections 11-58-101 *et seq.*, C.R.S., issuers of nonrated public securities shall make public within sixty (60) days following the end of each of such issuer's fiscal year, an annual information report or reports with respect to any of such issuer's nonrated public securities which are outstanding as of the end of each such fiscal year; and

WHEREAS, in accordance with Section 29-1-604(1), C.R.S., if expenditures and revenues of the District are not in excess of \$100,000, the District may file an application for exemption from audit with the State Auditor; or in accordance with Section 29-1-604(2)(b), C.R.S., if expenditures and revenues of the District for any fiscal year are at least \$100,000, but not more than \$750,000, the District may file an application for exemption from audit with the State Auditor; or in accordance with Section 29-1-603, C.R.S., the Board shall cause to be made an annual audit of the financial statements of the District for each fiscal year; and

WHEREAS, the Revised Uniform Unclaimed Property Act, Sections 38-13-101 *et seq.*, C.R.S., requires that governmental subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer by November 1 of each year; and

WHEREAS, pursuant to Section 32-1-103(15), C.R.S., the legal notices of the District must be published one time, in one newspaper of general circulation in the District, and if there is not one such newspaper of general circulation, then in one newspaper in each county in which the District is located and in which the District also has fifty (50) or more eligible electors; and

WHEREAS, pursuant to Section 24-6-402(2)(c)(I), C.R.S., the Board shall annually designate at the first regular meeting of the calendar year a posting place within the boundaries of the District for posting of notices; and

WHEREAS, pursuant to Sections 32-1-903(2) and 24-6-402(2)(c)(I) & (III), C.R.S., in addition to any other means of full and timely notice, the Board shall be deemed to have given full and timely notice of a public meeting if the Board posts the notice on a public website of the District or in the designated public place within District boundaries, no less than twenty-four (24) hours prior to the meeting; and

WHEREAS, Section 32-1-903(1), C.R.S. requires that the Board shall meet regularly at a time and location to be designated by the Board and such location may be physical, telephonic, electronic, other virtual place, or combination of such means where a meeting can be attended; provided that meetings that are held solely at physical locations must be held at physical locations that are within the boundaries of the District or within the boundaries of any county in which the District is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the District boundaries, unless the proposed change of location for a meeting appears on the Board agenda of a meeting and a resolution is adopted stating the reason for which meetings of the Board are to be held in a physical location other than under the provisions of Section 32-1-903(1.5), C.R.S. and further stating the date, time and physical location of such meeting; and

WHEREAS, pursuant to Section 32-1-904, C.R.S., the office of the District shall be at some fixed place to be determined by the Board; and

WHEREAS, pursuant to Section 32-1-901(1), C.R.S., each Director, within thirty (30) days after his or her election or appointment to fill a vacancy, shall take an oath or affirmation in accordance with Section 24-12-101, C.R.S., and the oath must be filed with the County Clerk and Recorder, and in accordance with Section 32-1-901(1), C.R.S. with the Clerk of the Court and with the Division; and

WHEREAS, in accordance with Section 32-1-901(2), C.R.S., at the time of filing said oath, there shall also be filed for each Director a bond; and

WHEREAS, in accordance with Section 24-14-102(2), C.R.S., the District may, in lieu of the required bond, purchase crime insurance to protect the District from any dishonesty, theft, or fraud; and

WHEREAS, pursuant to Section 32-1-902(1), C.R.S., the Board shall elect one of its members as chairman of the Board and president of the District, one of its members as a treasurer of the Board and District, and a secretary who may be a member of the Board, or the secretary and treasurer may be one individual, who in such case is a member of the Board; and

WHEREAS, Directors may receive compensation for their services subject to the limitations imposed by Section 32-1-902(3)(a), C.R.S.; and

WHEREAS, Directors are governed by Section 32-1-902(3)(b), C.R.S., which requires any Director to disqualify himself or herself from voting on an issue in which he or she has a conflict of interest, unless the Director has properly disclosed such conflict in compliance with Section 18-8-308, C.R.S.; and

WHEREAS, Directors are governed by Section 32-1-902(4), C.R.S., which requires any Director who owns undeveloped land that constitutes at least twenty percent (20%) of the territory included in the District to properly disclose such fact in compliance with Section 18-8-308, C.R.S. before each meeting of the Board, and such disclosure must be entered into the minutes of such meeting; and

WHEREAS, pursuant to Section 32-1-1001(1)(o), C.R.S. the Board has the power to authorize the use of electronic records and electronic signatures and adopt rules, standards, policies, and procedures for use of electronic records or signatures in accordance with the Uniform Electronic Transaction Act, Sections 24-71.3-101 *et seq.*, C.R.S.; and

WHEREAS, pursuant to Section 24-72-204.5, C.R.S., should the District operate or maintain an electronic mail communications system, the Board must adopt a written policy on any monitoring of electronic mail communications and the circumstances under which it will be conducted; and

WHEREAS, Sections 32-1-1604 and 32-1-1101.5(1), C.R.S. require the District to issue notice of the authorization or incurrence of general obligation indebtedness to the Board of County Commissioners of each county in which the District is located or the governing body of the municipality that has adopted a resolution of approval of the District and to record such notice with the Clerk and Recorder in each county in which the District is located within thirty (30) days of incurring or authorizing such indebtedness; and

WHEREAS, Section 32-1-1101.5(1), C.R.S. requires the District to certify the results of ballot issue elections to incur general obligation indebtedness to the Board of County Commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the District within forty-five (45) days after the election, or at least thirty (30) days before issuing any general obligation debt if not previously certified, and requires the District to file a copy of such certificate with the Division of Securities within that timeframe; and

WHEREAS, in accordance with Section 32-1-1101.5(1.5), C.R.S., the Board of County Commissioners or the governing body of a municipality that has adopted a resolution of approval of the District may require the District to file an application for the quinquennial finding of reasonable diligence; and

WHEREAS, in accordance with Section 32-1-207(3)(c), C.R.S., and unless otherwise waived or requested by an earlier date, commencing in 2023 for the 2022 calendar year, any special district created after July 1, 2000, must electronically file an annual report for the preceding calendar year by October 1st with the governing body that approved the service plan or, if the jurisdiction has changed due to the annexation into a municipality, the current governing body with jurisdiction over the District, the Division, the State Auditor, and the County Clerk and Recorder, and make the same available on the website of the District; and

WHEREAS, in accordance with the Colorado Governmental Immunity Act, Sections 24-10-101, *et seq.*, C.R.S., the Board is granted the authority to obtain insurance; and

WHEREAS, the Colorado Open Meetings Law at Section 24-6-402(2)(d.5)(II)(A), C.R.S. specifies that discussions that occur in an executive session of a local public body shall be electronically recorded; and

WHEREAS, pursuant to Section 24-6-402(2)(d.5)(II)(E), C.R.S., such electronic recording of executive sessions shall be retained for at least ninety (90) days after the date of the executive session; and

WHEREAS, in accordance with the Public Deposit Protection Act, Sections 11-10.5-101 *et seq.*, C.R.S., the Board shall designate an official custodian with plenary authority to deposit public funds in any bank which has been designated by the Colorado Banking Board as an eligible public depository; and

WHEREAS, in accordance with Section 32-1-104.8, C.R.S., the District must record a public disclosure document and a map of the boundaries of the District with the Clerk and Recorder

of each county in which the District is located at any time that an order or decree confirming the inclusion of real property into the District is recorded; and

WHEREAS, in accordance with Section 32-1-104.5, C.R.S., (1) within one year of the date an order and decree has been issued by a district court for a newly organized metropolitan district; or (2) for all metropolitan districts organized after January 1, 2000, by January 1, 2023, such metropolitan district, shall establish, maintain and annually update an official website containing specific information as set forth in Section 32-1-104.5(3)(a), C.R.S.; and

WHEREAS, elections may be held pursuant to the Special District Act, Article 1 of Title 32, C.R.S.; the Uniform Election Code of 1992, Articles 1 to 13 of Title 1, C.R.S.; and the Colorado Local Government Election Code, Article 13.5 of Title 1, C.R.S., for the purpose of (1) electing members of the Board; and (2) presenting certain ballot questions to the eligible electors of the District; and

WHEREAS, Sections 1-1-111(2), 1-13.5-108 and 32-1-804(2), C.R.S. provide that all powers and authority granted to the Board may be exercised by a “Designated Election Official” designated by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HEATHER GARDENS METROPOLITAN DISTRICT AS FOLLOWS:

1. The Board directs the Heather Gardens Association’s general manager in accordance with the Management Agreement by and between the District and the Heather Gardens Association dated August 23, 2018, as may be amended from time to time (the “Manager”) to prepare an accurate map in accordance with the standards specified by the Division or directs the Manager to prepare a letter asserting there have been no changes in the boundaries of the District, as applicable, for filing with the County Assessor, County Clerk and Recorder and the Division as required by Section 32-1-306, C.R.S on or before January 1.
2. The Board directs the Manager to notify the Department of the District’s name, principal address and/or mailing address, agent’s name and agent’s mailing address in accordance with Sections 24-10-109 and 24-32-116, C.R.S.
3. The Board directs the Manager to: (1) provide notice, containing certain information about the District, to the eligible electors of the District, not earlier than November 16 and not later than January 15, in one or more of the ways set forth in Section 32-1-809(2), C.R.S; and (2) in accordance with Section 32-1-104(2), C.R.S., file a copy of the notice with the Board of County Commissioners, County Assessor, County Treasurer, County Clerk and Recorder’s Office in each county in which the District is located, the governing body of any municipality in which the District is located and with the Division. The Board further directs that a copy of the notice shall be made available for public inspection at the principal business office of the District.

4. The Board directs the Manager to submit a proposed budget to the Board by October 15; to schedule a public hearing on the proposed budget; to prepare a final budget, including any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy; to prepare budget resolutions, including certification of mill levies and amendments to the budget if necessary; to certify the mill levies on or before December 15; and to file the approved budgets and amendments thereto with the proper governmental entities not later than thirty (30) days after the beginning of the fiscal year of the budget adopted, in accordance with the Local Government Budget Law of Colorado.
5. The Board directs the Manager to prepare and file a current list of all contracts in effect with other political subdivisions with the Division within thirty (30) days of receiving a request therefor from the Division, if applicable.
6. The Board directs the Manager to prepare and file the annual public securities report for nonrated public securities issued by the District with the Department within sixty (60) days following the end of the District's fiscal year, if applicable.
7. The Board directs the accountant to file either an application for exemption from audit with the State Auditor within three (3) months after the close of the District's fiscal year, or that an audit of the financial statements is prepared and submitted to the Board within six (6) months after the close of the District's fiscal year. Further, the Board directs that the audit report be filed with the State Auditor within thirty (30) days after the Board's receipt of the audit report from the auditor.
8. The Board directs the Manager to prepare the Unclaimed Property Act report and forward to the State Treasurer by November 1, if applicable.
9. The Board designates the *Sentinel* as a newspaper of general circulation within the boundaries of the District or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes in the *Sentinel*.
10. The Board designates the URL Domain <https://www.heathergardens.org/>, as the District's official website and posting place for notices of meetings pursuant to Sections 24-6-402(2)(c) and 32-1-104.5, C.R.S, and directs the Manager to maintain and update the official website of the District. Further, in compliance with Section 24-6-402(2)(III), C.R.S., the Board designates the Heather Gardens Clubhouse, 2888 South Heather Gardens Way, Aurora, as the public place within the boundaries of the District at which it may post notices of meetings if it is unable to post a notice on the District's official website.
11. Emergency meetings may be called without notice, if notice is not practicable, by the president of the Board or any two (2) Directors in the event of an emergency that requires the immediate action of the Board in order to protect the public health, safety and welfare of the property owners and residents of the District. If possible,

notice of such emergency meeting may be given to the Directors of the Board by telephone or whatever other means are reasonable to meet the circumstances of the emergency, and shall be provided to the public via any practicable means available, *if any*, including, but not limited to, posting notice of such emergency meeting on the District's website, if any. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety and welfare may be taken; provided however, that any action taken at an emergency meeting shall be ratified at the first to occur: (a) the next regular meeting of the Board, or (b) the next special meeting of the Board.

12. The Board determines to hold regular meetings the third Thursday of each month, at 1:00 P.M. at the Heather Gardens Clubhouse, 2888 South Heather Gardens Way, Aurora, Colorado 80014. Any additional means of public participation, if any, will be designated on the meeting agenda.
13. Pursuant to Section 32-1-904, C.R.S., the Board determined that the office of the District shall be at Heather Gardens Clubhouse, 2888 South Heather Gardens Way, Aurora, Colorado 80014.
14. The Board directs the District's administrative assistant, with the assistance of legal counsel to prepare, administer and file an oath or affirmation in accordance with Sections 32-1-901 and 24-12-101, C.R.S. In addition to the oath or affirmation, the Board directs legal counsel to procure either crime insurance in accordance with Section 24-14-102(2), C.R.S. or a bond for each Director as required by Section 32-1-901, C.R.S. in the total amount of \$10,000, and to file copies of the crime insurance or bond with the Clerk of the Court and the Division.
15. The Board hereby acknowledges that the District's Bylaws, adopted on July 18, 2019, and as may be amended from time to time, provide as follows regarding election of officers: "Election of officers shall be conducted annually at the first regular or special District meeting held in May and the officers shall serve for a term of one year. Election of officers may also be conducted at other meetings in order to fill a vacant office." In accordance therewith, the Board elected the following officers for the District:

President/Chairman: David L. Funk
Vice President: Eloise Laubach
Secretary/Treasurer: William F. Archambault
16. The Board directs that each Director may receive compensation for services as Directors in accordance with Sections 32-1-902(3)(a)(I) & (II), C.R.S.
17. The Board has determined that when so directed by one or more Directors legal counsel will file conflict-of-interest disclosures provided by Directors with the Secretary of State seventy-two (72) hours prior to each meeting of the Board. In addition, written disclosures provided by Directors required to be filed with the

governing body in accordance with Section 18-8-308, C.R.S. shall be deemed filed with the Directors of the District when filed with the Secretary of State.

18. The Board authorizes the use of electronic records and electronic signatures. Use of electronic records and electronic signatures, when conducting transactions and in relation to the administration of the affairs of the District, will be performed and governed in accordance with the Uniform Electronic Transactions Act, Sections 24-71.3-101 *et seq.*, C.R.S.
19. The Board does not operate or maintain an electronic mail communication system devoted to the District but recognizes that its Directors and consultants may utilize electronic mail to conduct matters on behalf of the District and that such communications may be a public record under the Colorado Open Records Act and may be subject to public inspection under Section 24-72-203, C.R.S.
20. The Board directs the Manager to issue notice of indebtedness to the Board of County Commissioners or to the governing body of the municipality that has adopted a resolution of approval of the District, as applicable, and to record such notice with the County Clerk and Recorder in each county in which the District is located within thirty (30) days of incurring or authorizing any indebtedness in accordance with Sections 32-1-1604 and 32-1-1101.5(1), C.R.S. The Board also directs the Manager to certify the results of any ballot issue election to incur general obligation indebtedness to the Board of County Commissioners of each county in which the District is located, to the governing body of a municipality that has adopted a resolution of approval of the District, as applicable, and the Division of Securities within forty-five (45) days after such election, or at least thirty (30) days before the District's issuance of any general obligation debt if not previously certified, in accordance with Section 32-1-1101.5(1), C.R.S.
21. The Board directs the Manager to prepare and file, if requested, the quinquennial finding of reasonable diligence with the Board of County Commissioners or to the governing body of a municipality that has adopted a resolution of approval of the District, as applicable, in accordance with Section 32-1-1101.5(1.5), C.R.S.
22. The Board acknowledges that it is not obligated to prepare and file an annual report in accordance with Section 32-1-207(3)(c), C.R.S. because the District was created prior to July 1, 2000 and the Service Plan for the District does not contain an annual report requirement.
23. The District is currently a member of the Special District Association ("SDA") and insured through the Colorado Special Districts Property and Liability Pool. The Board directs the District's accountant to pay the annual SDA membership dues and insurance premiums in a timely manner and complete all necessary conditions of the third-party insurance agent, as applicable. The Board will review all insurance policies and coverage in effect to determine appropriate insurance coverage is maintained, at least biannually.

24. The Board directs the custodian of all electronic recordings of executive sessions to retain all electronic recordings of executive sessions for purposes of the Colorado Open Meetings Law for ninety (90) days after the date of the executive session. The Board further directs the custodian to systematically delete all recordings of executive sessions made for purposes of the Colorado Open Meetings Law at its earliest convenience after the ninetieth (90th) day after the date of the executive session.
25. The Board hereby designates the Heather Gardens Association as its official custodian over public deposits in accordance with Sections 11-10.5-101 *et seq.*, C.R.S.
26. The Board directs legal counsel to prepare the special district public disclosure statement in accordance with Section 32-1-104.8, C.R.S. and record the statement with the County Clerk and Recorder at any such time as a decree or order of inclusion of real property into the District's boundaries is recorded.
27. Evelyn Ybarra, Assistant to the Board, is hereby appointed as the "Designated Election Official" of the Board for any elections to be held during 2023 and any subsequent year unless another Designated Election Official is appointed by resolution. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including, but not limited to, appointing election judges, appointing a canvass board, cancelling the election, if applicable, and certifying election results.
28. The Board hereby authorizes legal counsel to use the District's name and a brief description of the work performed for the District for marketing purposes, including identifying the District in presentations, proposals, and publications, provided that no confidential information about the District is revealed.

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Whereupon a motion was made and seconded, and upon a majority vote this Annual Resolution was approved by the Board.

ADOPTED AND APPROVED THIS 26TH DAY OF JANUARY 2023.

HEATHER GARDENS METROPOLITAN DISTRICT

David L. Funk, President

ATTEST:

William F. Archambault, Secretary/Treasurer

CERTIFICATION

I, William F. Archambault, Secretary and Treasurer of the Board of the Heather Gardens Metropolitan District, do hereby certify that the annexed and foregoing Resolution is a true copy from the records of the proceedings of the Board of said District, on file with Icenogle Seaver Pogue, P.C., general counsel to the District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District, at the County of Arapahoe, Colorado, this 26th day of January 2023.

William F. Archambault, Secretary/Treasurer

[SEAL]

**Heather Gardens Metropolitan District
Board Action
Date: January 26, 2023**

Motion: Approve 2023 Election Resolution

I move that the Heather Gardens Metropolitan District Board of Directors approve the 2023 Election Resolution which is attached.

Motion by: Maria Mines 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

**RESOLUTION OF
THE BOARD OF DIRECTORS OF
HEATHER GARDENS METROPOLITAN DISTRICT
2023 REGULAR SPECIAL DISTRICT ELECTION RESOLUTION**

At a special meeting of the Board of Directors of the Heather Gardens Metropolitan District, City of Aurora, Arapahoe County, Colorado, held at 1:00 P.M., on Thursday, January 26, 2023, at Heather Gardens Clubhouse, 2888 S. Heather Gardens Way, Aurora, Colorado, via video conference at <https://us06web.zoom.us/j/89041034744?pwd=UXltdmhvQzl5YXNZWU5GOVY3YkZDQT09>, and via telephone conference at Dial In: +1-346-248-779; Meeting ID: 890 4103 4744; Passcode 793205; at which a quorum was present, the following resolution (the “Resolution”) was adopted:

WHEREAS, Heather Gardens Metropolitan District (the “District”) was organized pursuant to the Special District Act, Article 1 of Title 32, C.R.S. (the “Act”), after approval of the eligible electors of the District, by order of the District Court in and for Arapahoe County, Colorado, dated April 6, 1983; and

WHEREAS, elections may be held pursuant to the Act; the Uniform Election Code of 1992, Articles 1 to 13 of Title 1, C.R.S. (the “Uniform Code”); and the Colorado Local Government Election Code, Article 13.5 of Title 1, C.R.S. (the “Local Government Election Code”) (the Act, Uniform Code, and Local Government Election Code are collectively referred to herein as the “Election Laws”) for the purpose of 1) electing members of the Board and 2) presenting certain ballot questions to the eligible electors of the District; and

WHEREAS, pursuant to Section 32-1-305.5(3)(a), C.R.S., the term of office of members of the Board of Directors for the District (the “Board”) elected in a regular special district election is four (4) years; and

WHEREAS, the Board currently includes four (4) members elected to serve on the Board, one (1) member appointed to fill a vacancy on the Board, and zero (0) vacancies; and

WHEREAS, the term of office for three (3) members of the Board for the District shall expire after their successors are elected at the next regular election for the District scheduled to be held on the Tuesday succeeding the first Monday of May in accordance with Section 1-13.5-111(1), C.R.S.: May 2, 2023; and

WHEREAS, the term for one (1) member of the Board for the District, who was appointed to fill a vacancy on the Board and to serve until the next regular election, shall expire after his successor is elected at the election to serve the remaining unexpired portion of the term, which is two years; and

WHEREAS, in accordance with the Election Laws, an election must be conducted to elect to the Board of the District three (3) Directors to serve for terms of four years and one (1) Director to serve a term of two years; and

WHEREAS, the number of Directors to be elected to the Board of the District may increase following the adoption of this Resolution should a Director's office be deemed vacant in accordance with Section 32-1-905, C.R.S. prior to the election; and

WHEREAS, pursuant to Section 32-1-804(1), C.R.S., the Board shall govern the conduct of the election and shall render all interpretations and make all decisions as to controversies or other matters arising in the conduct of the election; and

WHEREAS, Sections 1-1-111(2), 1-13.5-108, and 32-1-804(2), C.R.S. provide that all powers and authority granted to the Board for the conduct of regular and special elections, including making all initial decisions as to controversies or other matters arising in the operation of the Local Government Election Code, may be exercised by a "Designated Election Official" designated by the Board; and

WHEREAS, Sections 1-13.5-501(1) & -(1.5), C.R.S., require that, between seventy-five (75) and one hundred (100) days before a regular election, the Designated Election Official shall provide notice of a call for nominations for the election by publication, as defined in Section 1-13.5-501(2), C.R.S., and by any one of the following means: mailing the notice to each address at which one or more active registered electors resides as specified in the registration list provided by the county clerk and recorder as of the date that is one hundred fifty (150) days prior to the election; including the notice as a prominent part of an informational mailing sent by the District to the eligible electors of the District; posting the information on the official website of the District; or, if permitted under Section 1-13.5-501(1.5)(d), C.R.S., posting the notice in at least three public places within the boundaries of the District and, in addition, in the office of the Clerk and Recorder of Arapahoe County; and

WHEREAS, Section 1-13.5-1104(2), C.R.S. requires the Designated Election Official to supervise the distributing, handling, and counting of ballots and the survey of returns, and to take the necessary steps to protect the confidentiality of the ballots cast and the integrity of the election; and

WHEREAS, Section 1-7.5-107(4)(b)(II), C.R.S. specifies that the Designated Election Official shall designate a secure drop-off location that is under his or her supervision, and Section 1-5-102(1), C.R.S. requires that the Designated Election Official divide the jurisdiction into as many election precincts as he or she deems expedient for the convenience of eligible electors of the jurisdiction and designate the polling place for each precinct; and

WHEREAS, Section 1-13.5-1004(1), C.R.S. provides that the Designated Election Official shall keep a list of names of eligible electors who have applied for absentee voters' ballots and those permanent absentee voters placed on the list pursuant to Section 1-13.5-1003(2), C.R.S., which list must contain certain other information as set out by statute; and

WHEREAS, Section 1-13.5-513(1), C.R.S. provides that if the only matter before the electors in an election is the election of persons to office and if, at the close of business day on the sixty-third (63rd) day before the election or at any time thereafter, there are not more candidates than

offices to be filled at the election, the Designated Election Official shall cancel the election and declare the candidates elected if so instructed by resolution of the governing body; and

WHEREAS, Section 1-11-103(3), C.R.S. provides that if an election is cancelled pursuant to Section 1-13.5-513(1), C.R.S., the District shall file notice and a copy of the resolution of such cancellation with the Colorado Division of Local Government (the “Division”); and

WHEREAS, Sections 1-11-103(3) & 32-1-104(1), C.R.S. require the District to certify to the Division the results of any elections held by the District and include the District’s business address, telephone number, and contact person; and

WHEREAS, the Board desires to call an election and set forth herein the procedures for conducting such election as authorized by the Election Laws.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HEATHER GARDENS METROPOLITAN DISTRICT THAT:

1. The Board hereby calls a regular election of the eligible electors of the District to be held between the hours of 7:00 A.M. and 7:00 P.M. on the Tuesday succeeding the first Monday of May pursuant to and in accordance with Section 1-13.5-111(1), C.R.S., the Election Laws, and other applicable laws (May 2, 2023), for the purpose of electing three (3) Directors to serve a four-year term and one (1) Director to serve a two-year term on the Board (the “Election”), as such numbers may change due to one or more vacancies arising on the Board after the adoption of this Resolution and prior to the Election. The Election shall be conducted as an independent mail ballot election, pursuant to Part 11 of the Local Government Election Code.

2. Pursuant to Section 32-1-804(2), C.R.S., the Board hereby names Evelyn Ybarra, Assistant to the Board, as the Designated Election Official for the Election. The Board hereby directs the District’s general counsel to oversee the general conduct of the Election and authorizes the Designated Election Official to take all other action necessary for the proper conduct thereof. The Designated Election Official shall act as the primary contact with the Clerk and Recorder of Arapahoe County, Colorado (the “County”) and shall be primarily responsible for ensuring the proper conduct of the Election, including, but not limited to, distributing, handling, and counting of ballots and the survey of returns, taking the necessary steps to protect the confidentiality of the ballots cast and the integrity of the Election, appointing election judges as necessary, appointing the board of canvassers, arranging for the required notices of the Election and printing of ballots, maintaining a permanent absentee voter list, and directing that all other appropriate actions be accomplished.

3. The Board hereby directs the Designated Election Official to provide notice by publication of a call for nominations for the Election in accordance with the requirements of Section 1-13.5-501, C.R.S., which shall include information regarding the director offices to be voted upon at the Election, where a self-nomination and acceptance form or letter may be obtained, the deadline for submitting the self-nomination and acceptance form or letter to the Designated Election Official, and information on obtaining an absentee ballot. The notice shall be published one time in the *Sentinel*, which is a newspaper of general circulation in the District, between seventy-five (75) and one hundred

(100) days before the Election. The notice shall also be made by posting the information on the official website of the District.

4. The Board deems it expedient for the convenience of the electors that it shall establish a polling place & drop-off location for all regular and special elections of the District. There shall be one (1) polling place & drop-off location for the elections. This polling place & drop-off location shall be used for any regular or special elections to be held in 2023 and in each year thereafter until such polling place & drop-off location is changed by duly adopted resolution of the Board. Such polling place & drop-off location shall be located at Heather Gardens Clubhouse, 2888 South Heather Gardens Way, Aurora, Colorado 80014. All voters for the District, including handicapped and nonresident voters unless otherwise permitted by law, shall return their ballots to the designated polling place & drop-off location by mail or delivery. All eligible electors may also obtain a replacement ballot from the polling place & drop-off location until 7:00 P.M. on election day in accordance with Section 1-13.5-1105(4), C.R.S. A map showing the District's boundaries is on file at the Heather Gardens Clubhouse, 2888 South Heather Gardens Way, Aurora, Colorado 80014 and is available for examination by all interested persons.

5. Applications for an absentee voter's ballot or for permanent absentee voter status may be filed with the Designated Election Official, Heather Gardens Clubhouse, 2888 South Heather Gardens Way, Aurora, Colorado 80014, between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 25, 2023).

6. Pursuant to Section 1-13.5-303, C.R.S., all candidates must file a self-nomination and acceptance form or letter signed by the candidate and by an eligible elector of the District as a witness to the signature of the candidate with the Designated Election Official no later than 5:00 P.M. on the day that is sixty-seven (67) days prior to the Election (February 24, 2023). Self-nomination and acceptance forms are available at the Designated Election Official's office located at the above address.

7. Pursuant to Section 1-13.5-513, C.R.S., the Board hereby authorizes and directs the Designated Election Official to cancel the Election and declare the candidates elected if, at or after the close of business on the sixty-third (63rd) day before the Election (February 28, 2023), there are not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates, and so long as the only matter before the electors is the election of persons to office. Under these circumstances, the Board further authorizes and directs the Designated Election Official to provide notice of the cancellation by publication in accordance with Section 1-13.5-501, C.R.S. and to post notice of the cancellation at each polling location, the office of the Designated Election Official, the Arapahoe County Clerk and Recorder's Office, and with the Division. The Designated Election Official shall also file notice and a copy of this Resolution authorizing the cancellation of the Election with the Division pursuant to Section 1-11-103(3), C.R.S. The Designated Election Official shall also notify the candidates that the Election was canceled and they were elected by acclamation.

8. In accordance with Sections 1-11-103(3) & 32-1-104(1), C.R.S., the District directs the Designated Election Official to notify the Division of the results of any elections held by the

District, including the District's business address, telephone number, and contact person within thirty (30) days after the Election (June 1, 2023).

9. The Designated Election Official and the officers, agents, consultants, and employees, if any, of the District are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution.

10. All actions not inconsistent with the provisions of this Resolution heretofore taken by the members of the Board, the Designated Election Official, and the officers, agents, consultants, and employees, if any, of the District, and directed toward holding the Election for the purposes stated herein are hereby ratified, approved, and confirmed.

11. All prior acts, orders, or resolutions, or parts thereof, by the District in conflict with this Resolution are hereby repealed, except that this repealer shall not be construed to revive any act, order, or resolution, or part thereof, heretofore repealed.

12. If any section, paragraph, clause, or provision of this Resolution shall be adjudged to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining sections, paragraphs, clauses or provisions of this Resolution, it being the intention that the various parts hereof are severable.

13. The District shall be responsible for the payment of any and all costs associated with the conduct of the Election, including its cancellation, if necessary, and those costs incurred pursuant to the terms and conditions of an election agreement with the County, if any.

14. This Resolution shall take effect on the date and at the time of its adoption.

[Remainder of page intentionally left blank.]

Whereupon, a motion was made and seconded, and upon a majority vote, this Resolution was approved by the Board.

ADOPTED AND APPROVED THIS 26TH DAY OF JANUARY 2023.

**HEATHER GARDENS METROPOLITAN
DISTRICT**

David L. Funk, President

ATTEST:

William F. Archambault, Secretary/Treasurer

**Heather Gardens Metropolitan District
Board Action
Date: January 26, 2023**

Motion: Approve using Foundation Funds for Roads and Grounds Landscaping Projects (\$7,000)

Based on the recommendations of the Foundation Committee, I move that the Heather Gardens Metropolitan District Board of Directors approve of Foundation funds for the Roads and Grounds Landscaping Projects not to exceed \$7,000 as follows:

1. \$500 for Flowering Annuals to be planted in new flower beds planned for in front of the Heather Gardens sign on Yale to approve the appearance.
2. \$1,200 for 14 pads underneath 14 benches along South Heather Gardens Way and Marina Drive. Amending the pads underneath the benches will add curb appeal, ease of maintenance, and support for the benches.
3. \$1,300 for a pad and bench for the area along the golf path to the south of building 215. There are no benches along this section of the pathway, and the bench will also assist in ameliorating ruts in the grass in this area.
4. \$3,300 for removing weeds and planting good quality sod to enhance the area along Yale between S. Abilene street and E. Marina Dr in what is known as “the Yale Island.” Soil amendment/prep will also be needed. This is the beginning of a process to create more “Water Wise” areas on the Heather Gardens property.

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 Metropolitan District
Board Action
Date: January 26, 2023**

Motion: Approve the Heather Gardens Metropolitan District Bylaw Revisions

I move that the Heather Gardens Metropolitan District Board of Directors approve the Heather Gardens Metropolitan District Bylaw Revisions which is attached.

Motion by: David Funk 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



**BYLAWS
OF THE
HEATHER GARDENS METROPOLITAN DISTRICT**

Adopted July 18, 2019

Amended January 26, 2023

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ARTICLE I – APPLICATION OF BYLAWS

Section 1. Authority. Heather Gardens Metropolitan District (District) is a quasi-municipal corporation and political subdivision of the State of Colorado with those powers specifically authorized by, and in compliance with the Special District Act, Article 1 of Title 32, C.R.S. (Special District Act), including, but not limited to the power to adopt, amend, and enforce bylaws and rules and regulations not in conflict with the constitution and laws of this state for carrying on the business, objectives, and affairs of the Board of Directors (Board) of the District and the District.

Section 2. Purpose. It is hereby declared that the Bylaws hereunder set forth will serve a public purpose and aid the Board and the District in carrying on its business, objectives, and affairs.

Section 3. Scope. These Bylaws shall supersede all previous versions of the District’s bylaws and policy manuals, 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 II – ORGANIZATION

Section 1. Powers and Duties. All powers, privileges and duties vested in, or imposed upon the District by law shall be exercised and performed by and through the Board, whether set forth specifically or impliedly in these Bylaws, provided, however, the Board:

- A.** May delegate to officers, contractors or employees of the District any or all administrative or ministerial duties;
- B.** Has delegated to the Heather Gardens Association and the Association’s Chief Executive Officer (District’s Agent and General Manager) certain managerial, administrative and ministerial duties in accordance with the Management Agreement by and between the District and the Heather Gardens Association dated August 23, 2018, as may be amended from time to time (Management Agreement);
- C.** May delegate the authority to make purchases, negotiate leases for office space, and sign contracts, receipts, endorsements, checks, releases and other documents; and

- D. May create standing or special committees and delegate such authority thereto as the Board deems necessary and proper for the performance of such committee's functions and obligations.

Section 2. Office.

- A. **Business Office.** The principal business office of the District shall be at 2888 South Heather Gardens Way, Aurora, Colorado 80014, until otherwise designated by the Board.

Section 3. Meetings.

- A. **Regular Meetings.** Regular meetings of the Board shall be conducted on the third Thursday of each month at 1:00 p.m., at the Heather Gardens Clubhouse Board Room, 2888 South Heather Gardens Way, Aurora, Colorado, unless otherwise designated by the Board.
- B. **Special Meetings.** From time to time the Board may call special meetings of the Board upon advance written notice in compliance with the Special District Act and other applicable laws.
- C. **Study Sessions.** From time to time the Board may hold study sessions to receive, present and/or discuss information but not take any official actions.
- D. **Public Meetings.** All meetings of the Board and its committees, including study sessions, other than executive sessions, shall be noticed in compliance with applicable laws and, with the exception of the executive sessions, open to the public and allow time for public comments.
- E. **No Informal Action by the Board/Quorum.** Except as otherwise provided herein or as allowed by law, all official business of the Board shall be transacted at a regular or special meeting at which a quorum (more than one-half of the number of Board members serving on the Board at that time) shall be present in person or telephonically.
- F. **Executive Sessions.** Executive sessions may be called at regular or special meetings of the Board in compliance with the Colorado Open

Meetings Law, §§ 24-6-401 *et seq.*, C.R.S. No adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall take place in an executive session. The discussion in executive session shall be limited to the reasons for which the executive session was called.

G. Continuance of Meetings. When a regular or special meeting is for any reason continued to another time and place, further notice need not be given of the continued meeting if the time and place of such meeting are announced at the meeting at which the continuance is taken, except as required by law. At the continued meeting, any business may be transacted which could have been transacted at the original meeting.

H. Emergency Meetings. Emergency meetings may be called without notice, if notice is not practicable, by the president of the Board or any two (2) Board members in the event of an emergency that requires the immediate action of the Board in order to protect the public health, safety and welfare of the property owners and residents of the District. If possible, notice of such emergency meeting may be given to the members of the Board by telephone or whatever other means are reasonable to meet the circumstances of the emergency, and shall be provided to the public via any practicable means available, if any, including, but not limited to, posting notice of such emergency meeting on the District's website, if any. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety and welfare may be taken; provided however, that any action taken at an emergency meeting shall be ratified at the first to occur: (a) the next regular meeting of the Board, or (b) the next special meeting of the Board.

Section 4. Preparation for and Conduct of Meetings. The Board recognizes that establishing a uniform and systematic protocol for preparing for and conducting its regular, special, and committee meetings and study sessions will help assure the efficient operations of the District and transparency to and participation of the public. As such, the Board hereby adopts the following procedures for the preparation of and conduct at meetings which the Board, the District's Agent, and the officers, agents and employees of the District shall use all reasonable efforts to follow and which shall be in addition to and shall be subject to other legal requirements set forth relating to the notice of and conduct at meetings:

A. Agenda. The agenda for all meetings and study sessions of the District is set by the chairperson with recommendations from other Board members and the District's Agent, and if appropriate, by legal counsel. The agenda for all meetings will include an agenda item for public comment for non-agenda

items. The District's Agent is responsible for posting the notice and agenda in accordance with law and as provided in the District's annual administrative resolution. The agenda for any meeting or study session may be revised by motion, second and a majority vote of members of the Board.

B. Order of Business. The business of all regular and special meetings of the Board shall be transacted, as far as practicable, as follows:

1. Determine quorum is present.
2. Call meeting to order.
3. Consider approval of the minutes of the previous meeting/meetings.
4. Addition or changes to agenda.
5. President's comments.
6. General Manager's report.
7. Reports of Directors, Committees, and Professional Consultants
8. Review of Financial Reports
9. Unfinished business.
10. New business.
11. Other business.
12. Residents wishing to address the Board on non-agenda items. (Time Limit – Three Minutes.)
13. Adjournment.

C. Motions.

1. Motions to take an action may be made at any meeting (but not study session) in open session (not executive session) by any member of the Board.
2. A motion may be made to take the following illustrative (but not exhaustive) list of actions:
 - a. Approve;
 - b. Disapprove;
 - c. Table to a date certain;
 - d. Table indefinitely; or
 - e. Refer to a committee.
3. A motion must receive a second. If there is not a second then the motion dies without further discussion.
4. After a motion and second, the members of the Board will have further

discussion and public comment will be allowed (see below).

D. Public Review/Comment.

1. The Board, when possible, will endeavor to provide advance notice to the residents of Heather Gardens (in addition to that required by law) prior to adopting any new or revised bylaws or policy/procedure manuals by publishing information regarding such new or revised bylaws or policy/procedure manuals in the newsletter and the Heather Gardens Association electronic distribution and by making copies of such new or revised bylaws or policies manuals available for review.
2. The agenda for all meetings and study sessions will include an agenda item for public comment for non-agenda items. Public comment during this item is limited to 3 minutes per person. Members of the public wishing to address the Board during this agenda item will be asked to sign-up in advance and public comment will be received by the chairperson.
3. Public comment will be solicited and received by the chairperson after a motion and second have been made for a Board action and before a vote is taken. Public comment during this item is limited to 3 minutes per person. Members of the public wishing to address the Board during Board action items may, but will not be asked to, sign-up in advance. Public comment may be solicited and received by the chairperson after a discussion of items at a study session.
4. No response to public comment is expected or required. However, when a response is made the following order may be used:
 - a. Chairperson;
 - b. District's Agent;
 - c. Board members; and
 - d. Legal counsel.

E. Discussion. After a motion and a second have been made regarding a Board action item, the following rules will apply to discussions by members of the Board:

1. All discussions must stay on topic and be polite.

2. Discussion can be closed by:
 - a. The chairperson if there is no objection; or
 - b. If there is an objection, the Board members shall vote on whether to close discussion.

F. Voting. After the close of discussion, the chairperson will call for a vote and announce the results. The chairperson may take the vote by show of hands, orally or by roll call. All votes will be open, not by secret ballot, except as allowed by law. Except as otherwise provided herein or required by law or contract, any action of the Board shall require the affirmative vote of a majority of the Board members present, or attending telephonically, and voting.

G. Disruptive, Disorderly and Unlawful Conduct. If a member of the Board, member of the public or any attendee of a District meeting or study session engages in disruptive, disorderly or unlawful conduct during a District meeting or study session the chairperson may issue a warning regarding such conduct, call a recess in the meeting or study session, adjourn the meeting or study session, and/or call security/law enforcement.

ARTICLE III – BOARD MEMBERS AND OFFICERS

Section 1. Board Members.

- A. Board Member Qualifications and Terms.** Board members shall be eligible electors of the District as that term is defined by law. The term of each Board member shall be determined by relevant statutory provisions with elections held and conducted in the manner prescribed by the Special District Act, the Uniform Election Code of 1992, Articles 1 to 13 of Title 1, C.R.S. and the Colorado Local Government Election Code, Article 13.5 of Title 1, C.R.S. The eligible electors of the District have not exercised the rights granted to them in Article XVIII, Section 11 of the Colorado Constitution to lengthen, shorten or eliminate the limitations on the terms of office imposed by such section, therefore, members of the Board are subject to term limits as provided by law.
- B. Board Member’s Performance of Duties.** A Board member of the District shall perform all duties of a Board member, including duties as a member of any committee of the Board upon which the Board member may serve,

in a manner which the Board member reasonably believes to be in the best interest of the District. Board members have a common-law fiduciary obligation to the District. As a fiduciary, each Board member has the duty to exercise the utmost good faith, business sense and astuteness on the District's behalf and is prohibited from taking personal advantage of a situation to benefit the Board member or to prejudice the District.

In performing the Board member's duties, each Board member shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data provided, however, a Board member shall not be considered to be acting in good faith if the Board member has knowledge concerning the matter in question that would cause such reliance to be unwarranted.

- C. Oath of Office and Bond.** Each member of the Board, before assuming the responsibilities of the office, shall take and subscribe to an oath of office and provide a bond as required by law and provided at the expense of the District no later than 30 days after appointment or election to office.
- D. Vacancies.** Any vacancy occurring on the Board shall be filled by an affirmative vote of a majority of the remaining Board members, as provided by law. The appointed individual must meet the statutorily prescribed qualifications for Board members and shall serve until the next regular election.
- E. Resignation and Removal.** Board members may be removed from office only by recall as provided by law. A Board member may resign as a Board member or an elected office (president, vice-president, secretary, treasurer) at any time by giving written notice to the Board, and acceptance of such resignation shall not be necessary to make it effective. Removal from an elected office may occur when, for a demonstrable reason, an officer becomes unable to perform the duties of the office. In such a case, a member of the Board shall make a motion to that effect, and upon a majority of the Board voting in favor of such motion, the officer shall be removed immediately. The officer position shall then be declared vacant. An election by the Board shall then be held to fill the vacant officer position.
- F. Disclosure of Conflict of Interest.** A potential conflict of interest of any Board member shall be disclosed by such Board member in accordance

with law, particularly Article 18 of Title 24, C.R.S., and §§ 32-1-902(3) and 18-8-308, C.R.S.

- G. Compensation.** Board members may receive compensation for services in accordance with §§ 32-1-902(3)(a)(I) & (II), C.R.S. if so authorized by resolution of the Board. The District shall allow reimbursement of reasonable and actual expenses of the Board members while acting on behalf of the District.

Section 2. Officers.

- A. Election of Officers.** The Board shall elect from its membership a president, secretary, and a treasurer. The office of secretary and treasurer may be held by one person. The Board may also elect from its membership a vice president.
1. The officers shall be elected by a majority of the Board members voting at such meeting at which the election of officers is considered.
 2. Election of officers shall be conducted annually at the first regular or special District meeting held in May and the officers shall serve for a term of one year. Election of officers may also be conducted at other meetings in order to fill a vacant office.
- B. President/Chairperson.** The president (also referred to as the chairperson) shall preside at all meetings. The president is authorized to sign all Board approved contracts, deeds, notes, debentures, warrants, and other instruments on behalf of the District.
- C. Vice President.** The vice president shall preside at all meetings of the Board and perform the presidential duties in the absence of the president.
- D. Secretary.**
1. In the absence of the president and, if applicable, the vice-president, the secretary shall preside at all meetings of the Board.
 2. The secretary shall be responsible for the records of the District; may act as secretary at meetings of the Board and record all votes; may be responsible for composing a record of the proceedings of the Board in a minute book kept for that

purpose, which shall be an official record of the Board; and shall perform all duties incident to that office.

3. The secretary shall have the authority to affix the District seal to and attest to all contracts and instruments authorized to be executed by the Board.

E. Treasurer.

1. The treasurer shall be authorized to invest all surplus funds or other available funds of the District in permitted investments authorized by law or as specified by the Board. The Board may authorize investments only as authorized by law.
2. The treasurer shall keep or cause to be kept strict and accurate accounts of all money received by and disbursed for and on behalf of District in permanent records.
3. The treasurer shall ensure that a corporate fidelity bond in an amount determined by the Board but not less than \$5,000, conditioned on the faithful performance of the duties of the Treasurer's office is filed with the Clerk of the Court, at the expense of the District.
4. The treasurer shall be responsible for the presentation of the Budget to the District.

F. Recording Secretary. The Board shall have the authority to appoint a recording secretary who need not be a member of the Board, and who will be responsible for recording all votes and composing a record of the proceedings of the Board in the minute archive and will be the custodian of the seal of the District. The recording secretary shall not be required to take an oath of office, nor post a performance bond.

G. Additional Duties. The officers of the Board shall perform such other duties and functions as may from time to time be required by the Board or which are required by law.

ARTICLE IV – STANDING AND SPECIAL COMMITTEES

Section 1. Functions. The primary purpose of a committee is to serve in an advisory role and recommend courses of action to the Board. In particular, committees:

- A. Monitor, in cooperation with the District's Agent, or designated staff, the effectiveness of policies and rules within its area of concern;
- B. Review and/or make recommendations concerning the policies and procedures of the District for its area of concern;
- C. Review and/or make recommendations concerning fees, if any, for its area of concern; and
- D. Make recommendations to assist in the preparation of the annual budget for its area of concern.

Section 2. Committee Composition. Each committee consists of a chairperson(s) and as many eligible electors of the District as may be deemed necessary by the Board to conduct committee business. Eligible electors of the District may apply for membership on committees by completing an application obtained in the business office and submitting it to the chairperson of the committee on which membership is desired.

Section 3. Committee Chairperson(s). Unless otherwise authorized by the Board, the chairperson(s) of each committee shall be a Board member appointed by the District president, subject to approval by the Board.

Section 4. Duties of the Chairperson(s). The chairperson(s) of each committee shall enroll members in the committee as required to ensure that all members meet the criteria of these bylaws and act in the best interest of the District.

Section 5. Substitute Chairpersons. Committee chairpersons shall arrange for another Board member to chair any meeting of the committee at which the chairperson will be unable to attend.

Section 6. Tenure of Committee Members. Members of committees may serve for a maximum of four consecutive years. After a one-year break in service, such person may return to the committee at the recommendation of the chairperson and after approval by the Board. Approval for a member to be permitted to exceed this limitation may be granted on a case-by-case basis by the Board. Such extensions will be valid for only one year at a time and should normally be requested and approved because of one or both of the following circumstances:

- A. Losing the member will reduce membership below the minimums specified in these bylaws; and/or
- B. The member has professional experience (e.g., finance, law, engineering, etc.) that is particularly valuable to the committee.

Once seated, members of a committee, may be removed with or without cause by a vote of the Board.

Section 7. Cohabitants. No two persons living in the same unit shall be permitted to serve on the same committee.

Section 8. Committee Quorum. A committee's quorum is a majority of its minimum number of voting members, including the chairperson.

Section 9. Standing Committees. The following standing committees are hereby created by the Board: Enterprise Advisory Group and Foundation. The Board, at its discretion, may from time to time form additional standing committees or dissolve a standing committee. The duration, composition, membership, purpose, duties and responsibilities of any standing committee, are set forth in a Procedure Memorandum approved by the Board.

Section 10. Special Committees. From time to time a project outside the concerns of the standing committees may occur, in which case the Board may create a special committee for such project. The duration, membership, chairperson, purpose, duties and responsibilities of any special committee of the Board shall be as defined by the Board. Once the project is completed the special committee may be dissolved.

Section 11. Joint Committees. The Management Agreement provides that joint committees may be formed from time to time. The District and Heather Gardens Association have agreed to participate in two joint committees: Joint Budget and Finance Committee and Joint Long Range Planning Committee providing advice to each Board, as appropriate, on matters of joint concern.

Section 12. Open Meetings. All committee meetings shall be open to the public and allow time for public comment.

ARTICLE V – ADMINISTRATION

Section 1. The District's Agent shall perform all duties necessary to fulfill the obligations of the Management Agreement.

Section 2. Financial Administration.

- A. Fiscal Year.** The fiscal year of the District shall commence on January 1 of each year and end on December 31.
- B. Budget.** The District's Agent, in cooperation with the treasurer of the Board, shall be responsible for the preparation, presentation, notice, and filing of the annual budget for the District in accordance with the law.

- C. Contracts.** Neither the Board nor the District’s Agent has authority to enter into any contract, or otherwise bind or obligate the District to any liability for payment of money for which funds have not been appropriated by the Board. Any contract, verbal or written, contrary to this Section shall be void ad initio, and no District funds shall be expended in payment of such contracts, except as may be allowed by law.
- D. Annual Audit.** The Board shall cause an annual audit to be performed at the end of each fiscal year of all financial affairs of the District through December 31 of such fiscal year in accordance with law.

Section 3. Selection of and Consultation with Consultants and Contractors. Agents, engineers, accountants, special consultants and legal counsel of the District shall be selected by the Board. The District’s President, the District’s Agent and any other individual authorized by the District’s President, Agent or Board may contact the legal counsel, auditor or other consultants engaged by the Board to seek advice.

ARTICLE VI – GENERAL

Section 1. Modification of Bylaws. These Bylaws may be altered, amended or repealed at any regular or special meeting of the Board by a majority vote of the Board members to become effective immediately or at a subsequent date.

ADOPTED the 26th day of January 2023, by the Board of Directors of Heather Gardens Metropolitan District.

HEATHER GARDEN METROPOLITAN DISTRICT

_____, President

ATTEST:

_____, Secretary