

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE DANCING WILLOWS METROPOLITAN DISTRICT HELD NOVEMBER 14, 2012

A regular meeting of the Board of Directors (referred to hereafter as the "Board") of the Dancing Willows Metropolitan District (referred to hereafter as the "District") was convened on Wednesday, the 14th day of November, 2012, at 6:30 P.M., at the Community Clubhouse, 11893 W. Long Circle, Littleton, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

James D. "Don" Walker
Bobby Thomas
William A. Anderson
William A. Bristol
Robert "Lee" Jennings

Also In Attendance Were:

Lisa A. Johnson and George Turtle; Special District Management Services, Inc.

MaryAnn McGeady, Esq.; McGeady Sisneros, P.C.

Bruce O'Donnell; George K. Baum & Co.

See attached sign-in sheet for a list of District residents in attendance.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: Attorney McGeady discussed with the Board the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. She explained what constitutes a conflict of interest to the Board.

Ms. Johnson noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute.

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Director Bristol disclosed his relationship with Stillwater Community Management, LLC. He reported that his son and daughter in-law, Scott and Holly Bristol, are owners and employees of Stillwater Community Management, LLC. It was noted that the District entered into a Service Agreement for Clubhouse Management with Stillwater Community Management, LLC dated January 7, 2011.

Director Jennings disclosed his position as a board member on the Dancing Willows Patio Homes Homeowners Association.

ADMINISTRATIVE MATTERS

Agenda: Ms. Johnson distributed for the Board's review and approval a proposed Agenda for the District's regular meeting.

Following discussion, upon motion duly made by Director Jennings, seconded by Director Anderson and, upon vote, unanimously carried, the Agenda was approved.

Minutes: The Board reviewed the Minutes of the June 28, 2012 special meeting.

Following discussion, upon motion duly made by Director Walker, seconded by Director Thomas and, upon vote, unanimously carried, the Board approved the Minutes of the June 28, 2012 special meeting.

2013 Meeting Dates: Ms. Johnson reviewed the business to be conducted in 2013 to meet the statutory compliance requirements. Director Bristol commented on the time needed to prepare for the regular meetings. He suggested holding a work session at least two weeks in advance of the meeting to review the actions needed at the regular meeting. Director Jennings concurred. Attorney McGeady explained the options and requirements of work sessions and regular meetings.

Following discussion, upon motion duly made by Director Jennings, seconded by Director Bristol and, upon vote, unanimously carried, the Board determined to meet on June 12 and November 13, 2013, at 6:30 p.m., at the Community Clubhouse, 11893 W. Long Circle, Littleton, Colorado.

Requirements related to Open Meeting Laws: Attorney McGeady presented information regarding the statutory requirements pertaining to open meetings and the procedures required to stay in compliance with these requirements. Attorney McGeady distributed a publication prepared by the Colorado Press Association and sponsored by Governor Bill Ritter, Attorney General John Suthers, the Colorado Press Association and the Colorado Freedom of Information Council entitled *Public/Press Guide to Colorado Law on Open Meetings and Open Records*. The Board discussed holding study sessions or work sessions where a quorum of the Board could be present

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upon posting notice of the meeting along with an agenda of issues to be discussed. The Board will not approve any actions at these sessions, but will discuss and gather community input on issues, and then present a summary of the topics discussed, together with a list of attendees, to the District Manager for keeping as a part of the District's public records.

Creation and Implementation of District Website and Eligible Governmental Entity Agreement between the District and the Statewide Internet Portal Authority (SIPA): The Board discussed the creation and implementation of a District website. Ms. Johnson advised the Board of the free website service available through SIPA. She also advised the Board that Jan Walker had volunteered to do the work necessary to provide the District's information for the website. Ms. Johnson noted there is a long list of districts waiting to have their websites initiated and so the execution of the Agreement is the first step of the process to get the District in the queue for this service.

Following discussion, upon motion duly made by Director Jennings, seconded by Director Walker and, upon vote, unanimously carried, the Board approved the Eligible Governmental Entity Agreement between the District and SIPA.

PUBLIC COMMENT **Public Comments**: Ms. Harbison inquired about how many inches of snow must accumulate before it is removed. Director Jennings advised that the District is responsible for shoveling the sidewalks in the clubhouse area when there is an accumulation of 4 inches or greater.

Mr. Banghart asked if the District knew the status of the application submitted by Remington Homes to Jefferson County to construct a traffic signal on Union Street. Director Anderson responded that he had contacted the County to ask about the status and noted that the County will not require Remington Homes to install a traffic light on Union Court. However, the County may require a traffic light to be installed on Taft Street in the future. Mr. Banghart also asked whose responsibility it would be to repair the sidewalk near his property. He was directed to contact Ms. Johnson to file a request for repair with the District.

Ms. Swomley voiced her concerns about the entrance at Union Court being too dark. The Board will add this to the list of future capital needs. The Board discussed possible options including the installation of a reflector on the current post, the installation of deflectors and painting the curbs at the corner. Staff will research the issue and make recommendations.

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Mr. Railton noted his concern about the high cost to rent the clubhouse. He commented that the fees may be discouraging use of the clubhouse. The Board noted the costs of maintaining the clubhouse, the wear and tear that has occurred due to clubhouse usage and noted that use of the clubhouse for community events does not require payment of a fee. Staff advised that they will compare the number of rentals in 2011 to those in 2012 and report back to the Board.

Ms. Wessels thanked the Board for the exclusive use of the pool for the community event earlier this year.

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims through the periods ending:

Fund	Period Ending July 23, 2012	Period Ending Aug. 14, 2012	Period Ending Sept. 14, 2012	Period Ending Oct. 11, 2012
General	\$ 15,374.79	\$ 16,691.85	\$ 16,095.91	\$ 10,016.63
Debt Service	\$ 50.00	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Claims:	\$ 15,424.79	\$ 16,691.85	\$ 16,095.91	\$ 10,016.63

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

The Board discussed the process for payment of claims between meetings. The Board directed the list of claims and all invoices be e-mailed to all Board members for review prior to payment in between Board meetings. Ms. Johnson noted that all checks require two signatures.

The Board then considered approval of the payment of claims for the period ending November 14, 2012, as follows:

General Fund	\$ 11,435.62
Capital Projects Fund	-0-
Total Claims:	\$ <u>11,435.62</u>

Following review and discussion, upon motion duly made by Director Walker, seconded by Director Thomas and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending November 14, 2012.

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Financial Statements: Mr. Turtle presented to the Board the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers and the schedule of cash position for the period ending October 31, 2012.

Following review, upon motion duly made by Director Thomas, seconded by Director Anderson and, upon vote, unanimously carried, the unaudited financial statements and the schedule of cash position for the period ending October 31, 2012 were accepted.

Bond Payment: The Board acknowledged and Mr. Turtle discussed the District's inability to pay a portion of a scheduled bond payment on December 1, 2012. He noted that the bond restructure in 2011 anticipated a shortage in the payment for December, 2012.

Current Bond Structure: Mr. O'Donnell reviewed with the Board his memorandum regarding refinancing questions on the District's Series 2008B Bonds. Mr. O'Donnell advised the Board of his recommendation that the District not refinance its current debt due to the high penalty of having to fund an escrow to advance refund the Bonds and the need to wait for the assessed valuation to increase in order to better the District's credit worthiness. The memorandum is attached hereto and incorporated herein by this reference.

2012 Audit: The Board reviewed the engagement letter from Simmons & Wheeler, P.C. to perform the 2012 Audit.

Following discussion, upon motion duly made by Director Walker, seconded by Director Thomas and, upon vote, unanimously carried, the Board approved the engagement of Simmons & Wheeler, P.C. to perform the 2012 Audit, for an amount not to exceed \$3,800.

2012 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2012 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2012 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following review and discussion, Director Bristol moved to adopt the Resolution to Amend 2012 Budget, Director Anderson seconded the motion and, upon vote,

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unanimously carried, the Board adopted the Resolution to Amend the 2012 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2013 Budget Hearing: The President opened the public hearing to consider the proposed 2013 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2013 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

Director Bristol presented the Board with his 20-year reserve plan and cash flow estimate. He recommended a mill levy increase of nine mills. The public provided comments on the draft Budget and Director Bristol's recommendation for a mill levy increase. The Board discussed the matter in detail. Following public comments, the public hearing was closed.

Mr. Turtle reviewed the estimated 2012 expenditures and the proposed 2013 expenditures.

Following discussion, the Board considered the adoption of the Resolutions to Adopt the 2013 Budget and Appropriate Sums of Money and Set Mill Levies (for the General Fund at 35.000 mills and the Debt Service Fund at 40.000 mills for a total mill levy of 75.000 mills). Upon motion duly made by Director Anderson, seconded by Director Jennings and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2012. Ms. Johnson was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Jefferson County and the Division of Local Government, not later than December 15, 2012. Ms. Johnson was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2013. Copies of the adopted Resolutions are attached to these Minutes and incorporated herein by this reference.

The Board discussed the need for community outreach to ensure information on the thought process behind the mill levy increase be made available to the residents. The Board determined to schedule a study session in December to review the Budget and the mill levy increase with attending residents. Notice of this study session will be provided to residents by e-mail and posting.

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DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Jennings and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

OPERATIONS AND MAINTENANCE

Executive Committee Actions: There were no new executive committee actions to report.

District Historic Highlights: It was noted that Director Jennings will update the District Historic Highlights document to include new Board members after the meeting.

Updated Americans with Disabilities Act (“ADA”) Guidelines: Ms. Johnson reviewed with the Board the memorandum from Special District Management Services, Inc. summarizing the recent ADA compliance requirements for accessibility to swimming pools. It was noted that since the pool is less than 300 linear feet, there is no need to make any accommodations until there is a renovation to the existing pool. The Board will include the required improvements in the District’s Capital Reserve Plan.

Construction Contract for Asphalt and Concrete Repairs between the District and Rocky Mountain Pavement: The Board entered into discussion regarding a Construction Contract for Asphalt and Concrete Repairs between the District and Rocky Mountain Pavement.

Following discussion, upon motion duly made by Director Jennings, seconded by Director Thomas and, upon vote, unanimously carried, the Board ratified approval of the Construction Contract for Asphalt and Concrete Repairs between the District and Rocky Mountain Pavement.

Proposal from Rocky Mountain Pavement for Asphalt Maintenance: The Board entered into discussion regarding a Proposal from Rocky Mountain Pavement for Asphalt Maintenance in the amount of \$4,703.93.

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Following discussion, upon motion duly made by Director Jennings, seconded by Director Thomas and, upon vote, unanimously carried, the Board approved the Proposal from Rocky Mountain Pavement for Asphalt Maintenance in the amount of \$4,703.93.

Service Agreement for Landscape Maintenance (for 2012) between the District and Nu Style Landscape & Design Inc.: The Board entered into discussion regarding a Service Agreement for Landscape Maintenance (for 2012) between the District and Nu Style Landscape & Design Inc.

Following discussion, upon motion duly made by Director Jennings, seconded by Director Thomas and, upon vote, unanimously carried, the Board ratified approval of the Service Agreement for Landscape Maintenance (for 2012) between the District and Nu Style Landscape & Design Inc.

Proposals and Service Agreement for 2013 Landscape Maintenance Services: The Board reviewed three proposals for 2013 landscape maintenance services from CoCal Landscape Services, Inc. in the amount of \$3,298, Keesen Landscape Management, Inc. in the amount of \$4,200 and Schultz Industries in the amount of \$3,115.

Following discussion, upon motion duly made by Director Walker, seconded by Director Anderson and, upon vote, unanimously carried, the Board approved the Service Agreement for 2013 Landscape Maintenance Services between the District and Keesen Management, Inc. in the amount of \$4,200.

Bid Comparison for 2012-2013 Snow Removal Services and Award of Contract: The Board reviewed the bid comparison for 2012-2013 snow removal services, which is attached hereto and incorporated herein by this reference. Ms. Johnson noted that three bids were received, but that earlier in the week Verdi Services had withdrawn their bid.

Following discussion, upon motion duly made by Director Walker, seconded by Director Anderson and, upon vote, unanimously carried, the Board approved the Service Agreement for Snow Removal Services (for 2012-2013) between the District and Keesen Management, Inc.

Green Energy Projects: Director Thomas discussed with the Board his research on the possibility of installing solar panels at the clubhouse. It was noted that the District does not have adequate space to install a solar garden. Director Thomas has reached out to Foothills Park and Recreation District to ask if they would be interested in a

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partnership with the District on this project. The Board was interested in the concept and authorized Director Thomas to continue with discussions.

Holiday Lighting at Entryway: The Board entered into discussion regarding a request from residents to install holiday lighting at the entryway. The Board determined that this is a homeowners' association project and authorized the homeowners' associations to install holiday lights on the District's property.

OTHER BUSINESS

§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2013: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2013.

Following discussion, the Board determined to post the required transparency notice information on the Special District Association's website and the HOA's website.

Informational Meeting: The Board determined to hold an informational meeting related to the 2013 Budget, 20-Year Reserve Plan and mill levy increase on December 5, 2012 at 6:30 p.m. at the Community Clubhouse.

ADJOURNMENT

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

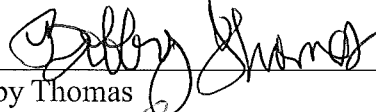
Respectfully submitted,

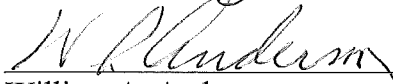
By  _____
Secretary for the Meeting


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THESE MINUTES APPROVED AS THE OFFICIAL NOVEMBER 14, 2012
MINUTES OF THE DANCING WILLOWS METROPOLITAN DISTRICT BY THE
BOARD OF DIRECTORS SIGNING BELOW:

~~James D. "Don" Walker~~


Bobby Thomas


William A. Anderson


William A. Bristol


Robert Lee Jennings