

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF DANCING WILLOWS METROPOLITAN DISTRICT HELD August 26, 2014

A special meeting of the Board of Directors of the Dancing Willows Metropolitan District was held on August 26, 2014 at 6:30 p.m., at Dancing Willows Club House, 11893 West Long Circle, Littleton, CO 80127

ATTENDANCE

The special meeting of the Board of Directors of the Dancing Willows Metropolitan District was called and held, as shown, in accordance with Colorado law. The following directors were present:

Robert E. Vaninger Jr.
Susan Root
Nancy Carson
William Anderson
Bobby Thomas

Also present were:

James McGrady, of Community Resource Services District Manager and Secretary.

CALL TO ORDER

Meeting called to order at 6:32 p.m. Introductions of the Board and community members were made.

DISCLOSURE OF POTENTIAL CONFLCTS OF INTEREST

None.

ADMINISTRATIVE ITEMS

Agenda: Mr. McGrady presented the board with the proposed agenda. Upon motion by Director Vaninger and a second by director Anderson, the board voted unanimously to approve the agenda as presented.

Minutes: The minutes of June 9, 2014 Regular Meeting were

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presented to the Board. Upon a motion by Director Thomas and a second by Director Root, the Board voted unanimously to approved said minutes as presented.

The working session's minutes of July 8, 2014 and July 30, 2014 were presented to the Board. Upon a motion by Director Carson and a second by Director Thomas, the Board voted unanimously to approved said minutes as presented.

FINANCIAL ITEMS

Review Finding of Dancing Willows Metropolitan District 2013 Audit: Mr. Simmons of Simmons & Wheeler presented the Dancing Willows 2013 audit. Mr. Simmons stated that the Dancing Willows audit has a Clean (unqualified) Opinion Fund Balance of \$59,434 in the general fund as of December 31, 2013 and \$4,964 in the Debt Service. General fund income for 2013 was \$197,380. The total expense for the same period was \$181,134. Debt service had income of \$219,879 and expense of \$217,249. Mr. Simmons noted that an amended budget was not necessary. Current Mill levy is 75 Mills which generated \$448,804. Colotrust interest paid is 12 basis points. B-1 Bonds shown on page 15 as 3.3%. Increase to 7.0 % in 2019. There are four notes that are also being carried and payments must be made when the district has \$75,000 reserve. The total amount that is due under the four notes is \$136,201 and accrues interest at 4% per year.

Review and Approve Ratification and Payment of Claims: Upon a motion the Board voted unanimously to approve payment and claims.

Review Cash Position: Manager McGrady reviewed and presented the July 31, 2014 financial statements and cash position. Residents are concerned about carrying debt without paying it off. Director Anderson explained to the residents the district needs to carry over the debt from the four notes in order to have sufficient revenue to operate and maintain the district infrastructure. After review, the Board accepted the cash position.

Financial Statements: Manager McGrady reviewed the financial statements dated July 31, 2014. After review, the Board accepted the financial statements as presented.

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MANAGER REPORT

None.

ACTION ITEMS:

Review and Approve 2013 Audit of the Dancing Willows Metropolitan District: Upon motion by Director Anderson and a seconded by Director Root, the Board voted unanimously to approved said December 31, 2013 Audit

DISCUSSION ITEMS

Audit, Budget and Planning Update: Director Anderson and Director Thomas will review the 2015 Budget development and present to the other Board members.

Pool and Clubhouse Committee Update: Clubhouse usage and pool repair. There is a plaster problem in the pool that needs to be addressed. Once the pool is closed an estimated cost for repairs can be presented to the Board at the October meeting. The pool cover has not been able to dry due to the weather. Director Root expressed concern about possible damage to the pool cover. Director Anderson noted that the pool cover has a 10 year warranty. The pool will be winterized in about a week after pool closes September 2, 2014. Several residents requested the pool stay open till 10:00 p.m., others suggested keeping kids out of the hot tub. The board indicated that there are rules in place to address the use of the hot tub. Revenues from reservations are on budget. There have been two reservations for the use of the clubhouse in the month of December. The board suggested looking into additional avenues of generating revenues such as yoga classes.

Landscaping, Water Use and Snow Removal: Fall planting will be delayed until 2015. Some plants might have been damaged by Roundup Spray and will need to be replaced. It has been suggested looking at fenced beds in the Town Home area and changing the irrigation system. An estimated cost is \$3,268.00. A resident voiced concern regarding snow removal on sidewalks and parking lots. Director Anderson explained the sidewalks are the responsibility of the HOA. The Board is aware of the parking lots and is looking into a solution.

Director Anderson moved to spend \$100.00 on bows, The board unanimously agreed.

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Street, Sidewalks and Under Drains Committee Update: Attached are the detail reports for the Crack Seal Project, the CASI invoice and payment, and Community Parking Research done by the committees.

Fence and Monuments Committee Update: Attached is the report from the Fence and Monument committees. Director Thomas will be working toward an MOU with the Fire Department on enforcement and education. This does not include "No Parking Signs", etc. Director Thomas and Director Vaninger will meet with the Jefferson County Planning Department. The Board will consult with the attorney and should have a legal opinion by next board meeting regarding the district authority to enforce parking violations.

Most of the crack sealing has been completed. There is one area that has been missed and will be addressed later in the fall of 2014. A new invoice was presented to the board in the amount of \$14,645.40. The district also owes \$6,000 for concrete repair previously done. A Motion to approve total payment of \$20,645.40 was made by Director Thomas and a seconded by Director Anderson. The, Board voted unanimously to approve the payment.

Monument: The Board discussed the cost to repair the damaged monument and some members of the board felt that the estimated cost of 50K may be low and does not includes such fees as building permits. Mr. Chuck Danford presented his report to the Board. He has 40 years of experience in advertising and personally interviewed 10 sign companies. Mr. Danford suggested the District contract with Sign O Rama. Director Root suggested the use of boulders, as she believes it would have a nice effect. A decision on the monument will be made after the 2015 Budget is approved.

DIRECTOR'S ITEMS

None.

EXECUTIVE SESSION

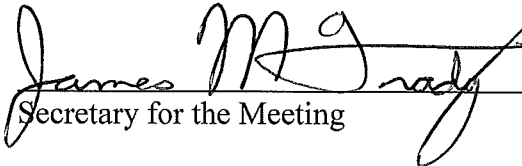
Motion to go into Executive Session: Upon motion by Director Vaninger and seconded by Director Anderson, the Board entered into Executive Session pursuant to 24-6-403(4)(e) Contract Negotiations.

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ADJOURNMENT

The Board returned from Executive Session at 9:17 p.m. There being no further business to come before the Board, upon motion duly made, the meeting was adjourned at 9:20 p.m.

Respectfully submitted,


Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JANUARY 14, 2014 MINUTES OF THE DANCING WILLOWS METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW: