

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1 HELD OCTOBER 25, 2022

A Regular Meeting of the Board of Directors of the Jefferson Center Metropolitan District No. 1 (referred to hereafter as "Board") was convened on Tuesday, October 25, 2022, at 9:30 a.m. This District Board meeting was held by video/telephone conference with all participants attending via video/teleconference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Gregg Bradbury
Jeff L. Nading
Charles Church McKay
Steven Nading
Brandon Dooling

Also In Attendance Were:

James Ruthven; Special District Management Services, Inc.

Megan Becher, Esq.; McGeady Becher P.C.

Joy Tatton; Simmons & Wheeler, P.C.

Wes Back and Elesha Carbaugh-Gonzales; Independent District Engineering Services, LLC

Gregg McKay; Member of the Public

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: The Board discussed 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. Mr. Ruthven noted that a quorum was present and requested members of the Board 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. Attorney Becher noted that all Directors' Disclosure Statements had been filed and that no additional conflicts were disclosed at the meeting.

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ADMINISTRATIVE MATTERS

Agenda: Mr. Ruthven 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 Jeff Nading, seconded by Director McKay and, upon vote, unanimously carried, the agenda was approved, as amended.

Location of Meeting and Posting of Notices: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. The Board determined that the meeting would be held by video/telephonic means, and encouraged public participation via video or telephone. The Board further noted that notice of the time, date and location of the meeting was duly posted and that the District had not received any objections to the video/telephonic manner of the meeting, or any requests that the video/telephonic manner of the meeting be changed by taxpaying electors within the District boundaries.

Minutes: The Board reviewed the minutes of the September 27, 2022 Regular Meeting.

Following discussion, upon motion duly made by Director Jeff Nading, seconded by Director Bradbury and, upon vote, unanimously carried, the minutes of the September 27, 2022 Regular Meeting were approved, as presented.

There were no public comments.

PUBLIC COMMENT

CONSENT AGENDA

The Board considered the following actions:

- Ratify approval of Change Order No. 8 to the Contract between the District and Wagner Construction, Inc., to lower existing sanitary manholes, in the amount of \$3,208.54.
- Ratify approval of Task Order No. 9 to the Contract between the District and Golden Triangle Construction, Inc., for grade stabilization, in the amount of \$2,331.00.
- Ratify approval of Task Order No. 18-A1 to the Service Agreement between the District and Martin/Martin, Inc., for Candelas/Indiana intersection modifications Amendment No.1, in the amount of \$644.06.
- Ratify approval of Task Order No. 6 to the Master Service Agreement between the District and SWCA, Incorporated, d/b/a SWCA Environmental Consultants, for environmental support for the HWY 93 expansion, in the amount of \$55,600.00.

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Following review, upon motion duly made by Director Jeff Nading, seconded by Director Bradbury and, upon vote, unanimously carried, the Board approved and/or ratified approval of, as appropriate, the above Consent Agenda items/actions.

FINANCIAL MATTERS

Claims: The Board considered ratifying approval of the payment of claims through the period ending October 31, 2022.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Steven Nading and, upon vote, unanimously carried, the Board ratified approval of the payment of claims through the period ending October 31, 2022, in the amount of \$723,594.50.

Cash Position Statement: Ms. Tatton reviewed with the Board the cash position statement as of October 18, 2022.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Dooling and, upon vote, unanimously carried, the Board accepted the cash position statement as of October 18, 2022.

Forecast of General Fund Revenues and Expenditures: Ms. Tatton reviewed, and the Board discussed, the forecast of General Fund revenues and expenditures.

Expense Tracking Report (ETR): Ms. Carbaugh-Gonzales reviewed the Expense Tracking Report with the Board.

District Expenditures Verification Report prepared by Independent District Engineering Services, LLC (“IDES”): Ms. Carbaugh-Gonzales reviewed with the Board IDES’ report entitled “District Expenditures Verification for October 2022,” which summarizes IDES’ review and verification of the expenditures of the District for October 2022 related to certain District construction contracts. The Verification Report identified \$723,594.50 of District Eligible Expenses and \$-0- of Non-Eligible Expenses.

Following discussion, upon motion duly made by Director Steven Nading, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Board accepted the District Eligible Expenses in the amount of \$723,594.50.

Series 2020 Bonds Budget for Infrastructure: The Board discussed the Series 2020 Bonds Budget for infrastructure. It was noted that the Budget has been completed.

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Future Operation and Maintenance Obligations: The Board discussed the future operations and maintenance obligations and related Budget matters.

MANAGEMENT MATTERS

Water Allocations and Facilities Fees Collections: Mr. Ruthven noted that there were no changes to the Water Allocation Report since the last report.

Proposal from Environmental Designs, Inc. (“EDI”) for 2022-2023 Snow Removal Services: Mr. Ruthven reviewed with the Board the proposal from EDI for 2022-2023 snow removal services.

Change Order No. 2 to Service Agreement for Snow Removal Services between the District and EDI: Following discussion, upon motion duly made by Director Dooling, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Board approved Change Order No. 2 to the Service Agreement for Snow Removal Services between the District and EDI.

Proposal from EDI for Landscape Maintenance Services: Mr. Ruthven reviewed with the Board the proposal from EDI for landscape maintenance services.

Change Order No. 5 to Service Agreement for Landscape Maintenance Services between the District and EDI: Following discussion, upon motion duly made by Director Bradbury, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Board approved Change Order No. 5 to the Service Agreement for Landscape Maintenance Services between the District and EDI, subject to review by Director Jeff Nading.

LEGAL MATTERS

Status of Retaining Wall and Slope Easements for the Benefit of RangeWater Residential, LLC: The Board deferred discussion.

General Obligation Refunding and Improvement Bonds, Series 2023: The Board deferred discussion.

District’s conveyance of Lots 1-3, Candelas Commercial Filing No. 3, Amendment No. 2, to Cimarron Development Company (“CDC”) and the District’s acquisition of Tracts A through E, Candelas Commercial Filing No. 3, Amendment No. 2, from CDC upon recordation of the Final Plat for Candelas Commercial Filing No. 3, Amendment No. 2: Attorney Becher reported to the Board that the conveyances have been completed.

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Facilities Acquisition Agreement (Trailstone Development) by and between the District, Taylor Morrison of Colorado, Inc., Cimarron Development Company, and Cimarron Commercial, LLC: The Board discussed the Facilities Acquisition Agreement. No action was taken at this time.

Potential agreement between the District and a future homeowners' association relative to the operation and maintenance of Trailstone Improvements: Attorney Becher discussed with the Board a potential agreement between the District and a future homeowners' association relative to the operation and maintenance of Trailstone Improvements. No action was taken at this time.

CONSTRUCTION MATTERS

Construction Status Report: Mr. Back reviewed the Project Status Report dated October 25, 2022, with the Board. A copy of the report is attached hereto and incorporated herein by this reference.

Contracts, Task Orders, Work Orders and Change Orders: Mr. Back discussed the following Contracts, Task Orders, Work Orders and Change Orders:

- Consider approval of Change Order No. 2 to the Contract between the District and Timco Blasting & Coatings, Inc., for Crew and Equipment Standby Time, in the amount of \$20,810.25.
- Consider approval of Change Order No. 1 to the Contract between the District and Wagner Construction, Inc., for Value Engineering Option and Phase 2, in the amount of \$2,192,305.10.
- Consider approval of Change Order No. 9 to the Contract between the District and Wagner Construction, Inc., for Potholing for Highway 72 Water Main, in the amount of \$5,100.46.
- Consider approval of Change Order No.10 to the Contract between the District and Wagner Construction, Inc., for Equipment Rental Time, in the amount of \$8,530.04.
- Consider approval of Task Order No. 7-A11 to the Service Agreement between the District and Martin/Martin, Inc., for JCMD Parcel Coordination Amendment No. 11, in the amount of \$15,000.
- Consider approval of Task Order No. 21-A3 to the Service Agreement between the District and Martin/Martin, Inc., for Grading/Earthwork/Taylor Morrison Parcels Amendment No. 3, in the amount of \$1,100.
- Consider approval of Task Order No. 22-A9 to the Service Agreement between the District and Martin/Martin, Inc., for Indiana North Infrastructure Amendment No. 9, in the amount of \$40,000.

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- Consider approval of Task Order No. 24-A6 to the Service Agreement between the District and Martin/Martin, Inc., for Highway 72 Widening Amendment No. 6, in the amount of \$30,000.
- Consider approval of Task Order No. 24-A7 to the Service Agreement between the District and Martin/Martin, Inc., for Highway 72 Widening Amendment No. 7, in the amount of \$40,000.
- Consider approval of Task Order No. 25-A2 to the Service Agreement between the District and Martin/Martin, Inc., for Candelas Sanitary Sewer Outfall Amendment No. 2, in the amount of \$7,000.
- Consider approval of Task Order No. 26-A3 to the Service Agreement between the District and Martin/Martin, Inc., for Highway 72 Waterline Construction Documents Amendment No. 3, in the amount of \$4,500.
- Consider approval of Task Order No. 29-A2 to the Service Agreement between the District and Martin/Martin, Inc., for DU Coordination/Legal Descriptions/Exhibits Amendment No. 2, in the amount of \$10,000.
- Consider approval of Task Order No. 30-A2 to the Service Agreement between the District and Martin/Martin, Inc., for Arvada Water and Sanitary Sewer Study Analysis Amendment No. 2, in the amount of \$5,000.
- Consider approval of Task Order No. 2 to the Service Agreement between the District and Triax Engineering, LLC, for Materials Testing Services, Sanitary Interceptor, in the amount of \$33,620.

Following discussion, upon motion duly made by Director Steven Nading, seconded by Director McKay and, upon vote carried, the Board approved (or ratified approval of, as appropriate) the Contracts, Change Orders, Task Orders and Work Orders listed above.

Premier Earthworks & Infrastructure, Inc. (“PEI”) Warranty Obligations: Mr. Back and Attorney Becher reported to the Board on the status of the warranty obligations of PEI.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Board authorized Martin Marietta Materials, Inc. (“Martin Marietta”) to complete the asphalt patching, milling and overlay paving, in the amount of \$54,128.04.

Following further discussion, upon motion duly made by Director Jeff Nading, seconded by Director McKay and, upon vote, unanimously carried, the Board authorized Martin Marietta to complete mill and overlay of Candelas Parkway and West 91st Place, in the amount of \$22,200.00.

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GH Phipps Construction Companies (“GH Phipps”) Warranty Obligations: Mr. Back and Attorney Becher reported to the Board that GH Phipps will complete the warranty obligations. No action was necessary at this time.

SEMA Construction, Inc. Warranty Obligations: Mr. Back and Attorney Becher reported to the Board on the status of the warranty obligations of SEMA Construction, Inc. (“SEMA”). No action was necessary at this time.

Settlement and Release Agreement by and between the District and SEMA Construction, Inc.: The Board deferred discussion.

CAPITAL IMPROVEMENTS

District Engineer’s Cost Certification Report No. 11 dated October 2022, prepared by Independent District Engineering Services, LLC, certifying District eligible expenditures relative to Trailstone Filing No. 1 Public Improvements: Mr. Back reviewed the report with the Board.

Following discussion, upon motion duly made by Director Steven Nading, seconded by Director Bradbury and, upon vote, unanimously carried, the Board approved the District Engineer’s Cost Certification Report No. 11, dated October 25, 2022, prepared by Independent District Engineering Services, LLC, certifying District eligible expenditures relative to Trailstone Filing No. 1 Public Improvements, in the amount of \$403,613.96 (“Report No. 11”).

Reimbursement to Cimarron Commercial, LLC under the Facilities Funding and Acquisition Agreement between the District and Cimarron Development Company (CDC), as amended, and pursuant to the Letter from CDC regarding Payment Directive Pertaining to Certified Costs for Trailstone Filing No. 1 Public Improvements: Attorney Becher and the Board discussed the reimbursement to Cimarron Commercial, LLC under the Facilities Funding and Acquisition Agreement between the District and Cimarron Development Company (CDC), as amended, and pursuant to the Letter from CDC regarding Payment Directive Pertaining to Certified Costs for Trailstone Filing No. 1 Public Improvements.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director McKay and, upon vote, unanimously carried, the Board authorized reimbursement in the amount of \$403,613.96 (per Report No. 11), to Cimarron Commercial, LLC under the Facilities Funding and Acquisition Agreement between the District and Cimarron Development Company (CDC), as amended, and pursuant to the Letter

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from CDC regarding Payment Directive Pertaining to Certified Costs for Trailstone Filing No. 1 Public Improvements.

LEGAL MATTERS **(continued)**

City of Arvada's System Development Charges: Discussion was moved to the end of the meeting.

EXECUTIVE SESSION: The Board notified those present that it would need to convene in Executive Session for the purpose of receiving legal advice on specific legal questions regarding the City of Arvada's System Development Charges.

Pursuant to Section 24-6-402(4)(b), C.R.S., and upon a motion made by Director Bradbury, seconded by Director McKay, and upon vote unanimously carried, the Board convened in Executive Session at 10:35 a.m. for the purpose of receiving legal advice on specific legal questions regarding the City of Arvada's System Development Charges. The public was excused for the Executive Session.

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of those portions of the Executive Session that, in the opinion of the Board's attorney(s), constitute privileged attorney-client communication pursuant to Section 24-6-402(4), C.R.S.

The Board reconvened in regular session at 11:26 a.m.

The Board authorized Mr. Ruthven to purchase of the AWWA Manual, in the amount of \$178.00.

The Board authorized General Counsel to coordinate and obtain proposals for the special litigation counsel for matters relating to the City of Arvada's System Development Charges.

The Board authorized the establishment of a committee of any two available Board members for each meeting or decision on matters relating to the City of Arvada's System Development Charges.

Letter regarding the District and Jefferson Center Metropolitan District No. 2's objection to the proposed System Development Charges ("Objection Letter") as transmitted to the City of Arvada by General Counsel: The Board acknowledged the Objection Letter as transmitted to the City of Arvada by General Counsel.


Amended and Restated Resolution of the District Imposing Facilities Fees: The Board deferred discussion.

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ADJOURNMENT

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

Respectfully submitted,

By:  _____
Secretary for the Meeting