

RECORD OF PROCEEDINGS

MINUTES OF REGULAR MEETING BOARD OF DIRECTORS

POLO RESERVE METROPOLITAN DISTRICT THURSDAY, JULY 27, 2023 ARAPAHOE COUNTY, COLORADO

The regular quarterly meeting of the Board of Directors (“Board”) of the Polo Reserve Metropolitan District (“District”) convened at 6:30 p.m. on Thursday, July 27, 2023, at 4481 West Caspian Circle, Littleton, Colorado 80128. The following Directors were in attendance:

Glenn Lee
Darrell Lomelino
Michael McGinnis
William Steigers
Sandor Weiss

Also, in attendance were: David Green, from Green & Associates, LLC, the District’s auditor; and Timothy J. Flynn, the District's legal counsel from Collins Cole Flynn Winn & Ulmer, PLLC, who attended by telephone.

CALL TO ORDER

The meeting was called to order by the District’s President, William Steigers, who presided as Chair.

APPROVAL OF AGENDA

Following a brief discussion, a motion was made by Director McGinnis and seconded by Director Weiss to approve the agenda, as amended, to include under “Other Matters” a discussion of the Emerald Ash Borer issue and the Polo Reserve Homeowners Association’s road paving project. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED.

APPROVAL OF THE BOARD’S APRIL 27, 2023, REGULAR MEETING MINUTES

Following review and brief discussion, a motion was made by Director Steigers and seconded by Director Lomelino to approve the draft April 27, 2023, regular meeting minutes, as modified, to delete the section on Ratification of Interim Disbursements (page

3) and replace it with the language provided by Director Lee and to correct a typographical error on page 4 under Potential TABOR Election in November 2024. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED.

Legal counsel will send a copy of the approved minutes to Director Steigers for posting in the District's Dropbox file once the approved changes have been made.

2022 AUDIT

David Green from Green & Associates LLC reviewed the District's 2022 draft audit. The audit report contains an unmodified opinion ("Clean Opinion"), meaning that in the Auditor's opinion the District's financial statements present fairly and in all material respects, the financial position of the District as of December 31, 2022, and the changes in its financial position and budgetary comparisons for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States.

The 2022 audit was conducted utilizing a risk-based approach, meaning the Auditor does such analysis and testing as the Auditor believes necessary to express an opinion on the financial statements. During his presentation, Mr. Green reviewed the District's Statement of Net Position, Balance Sheet, Statement of Revenues, Expenditures, and changes in fund balance budget and actual-general fund.

At the conclusion of Mr. Green's discussion and following a review of the draft audit report, Director Weiss moved and Director Lee seconded a motion to accept the 2022 audit and authorize the audit to be filed with the State Auditor's Office. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED.

At the conclusion of the 2022 audit discussion, Mr. Green left the meeting.

REVIEW AND ACCEPTANCE OF FINANCIAL STATEMENTS

Director Steigers reviewed the District's Balance Sheet dated June 30, 2023, and a Profit and Loss Statement Year to Date Comparison dated June 30, 2023, prepared by the District's new accountant, Mike Bakarich from the firm of Morain/Bakarich, CPAs. Director Steigers stated the transition to Mike Bakarich has gone well, that he enjoys working with Mr. Bakarich, and believes he will be an asset to the District moving forward. It was noted that Mike Bakarich was unable to attend the meeting because he is out of the country but otherwise plans are to be physically present at each Board meeting where financial information is presented to the Board for acceptance.

At the conclusion of the discussion, a motion was made by Director Weiss and seconded by Director Steigers to accept the financial statements as presented. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED. A copy of the

accepted financial statements is attached to the original of these minutes as Exhibit A (consisting of two pages).

RATIFICATION OF INTERIM DISBURSEMENTS

Director Steigers reviewed with the Board a statement of interim Claims Paid for the period beginning April 27, 2023, and ending June 30, 2023, in the amount of \$21,599.07 as more particularly itemized on Exhibit B as attached hereto (consisting of 1 page).

Following a brief discussion, a motion to ratify, approve, and confirm the interim disbursements was made by Director Weiss and seconded by Director Lomelino. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED.

APPROVAL OF ACCOUNTS PAYABLE

The Board reviewed a list of accounts payable dated June 30, 2023, in the amount of \$35,852.30, as more particularly itemized on Exhibit C, a copy of which is attached hereto (consisting of one page). The six payables listed on Exhibit C will be paid electronically.

During the discussion, Director Lee asked why the Metro District was paying \$3,209.44 to Designs by Sundown for a month's rental of an excavator that sat idle for almost the entire time. In addition, the May 16, 2023 billing to repair a small section of the 2 ½" pipe located on the Northeast side of the pump house cost \$7,691.64 of which \$6,290.00 was for 72 manhours of labor, according to Director Lee. Combined with the excavator rental of \$3,209.44, this relatively small repair to the pipe cost \$10,901.08. The magnitude of this repair cost was of concern to Director Lee.

During the discussion, Director Weiss stated that he believed a portion of the invoice was attributable to a 4" waterline break that occurred beneath the paved section of the Nevada Ditch Trail at Southeast corner of the main Polo Fields.

Following a brief discussion, a motion to approve payment of the accounts payable as presented, was made by Director Weiss and seconded by Director McGinnis. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED.

RATIFICATION OF MORAIN/BAKARICH, CPA ENGAGEMENT LETTER

Because of the urgent need to transition accounting services from Lay, Hogan, & Associates to the new firm of Morain/Bakarich, President Steigers executed Morain/Bakarich's engagement letter following the Board's July meeting. A copy of the executed engagement letter had been previously provided to each member of the Board. Following a brief discussion, a motion to ratify, approve, and confirm President Steigers

execution of the engagement letter was made by Director McGinnis and seconded by Director Weiss. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED.

ELECTION OF OFFICERS

Following the April 2023 meeting, by email Director Lee resigned as the District's Treasurer. Following a brief discussion, a motion was made by Director Steigers and seconded by Director McGinnis to appoint Director Weiss to the position of District Treasurer, retain Director Steigers as the District's President, to appoint Director McGinnis to the position of District Secretary, and to appoint Director Lomelino and Director Lee as Assistant Secretaries. The motion was made by Director Steigers and seconded by Director Lomelino. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED.

USE OF FIRSTBANK ACH PAYMENT SYSTEM

Director Steigers led a discussion of the need to move from paper checks to an Automated Clearing House (ACH) electronic payment system offered by FirstBank. Director Steigers previously discussed the FirstBank ACH system with the District's new accountant, Mike Bakarich, who is familiar with how the FirstBank ACH system works. It was the general consensus of the Board that going to the ACH system for paying bills is preferable to the manual processing of bills which is currently being used.

At the conclusion of the discussion, a motion was made by Director Lomelino and seconded by Director Steigers to authorize Director Steigers to work with Mike Bakarich to implement FirstBank's ACH payment system. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED.

LAST CHANCE DITCH PIPELINE REPLACEMENT PROJECT

Director Steigers informed the Board that JVA, Inc., an engineering firm in Boulder, Colorado, submitted a proposal for the design of a pipe that would replace the existing deteriorating pipe that currently carries irrigation water from the Last Chance Ditch, a water distribution box, and that eventually leads to the District's water storage pond. The proposal included construction observation services and was in the amount of \$16,700.00 for site investigation, \$9,300.00 for schematic alternative analysis, and \$13,200.00 for final design documents.

It was the consensus of the discussion that JVA should be asked to explore additional options for routing the pipe, including looking at the cost of doing an underground bore that would minimize the damage to the trees and other surface improvements of the homeowners across which the pipe needs to run. Director Lee asked the Board to obtain at least two (2) additional bids for the engineering work since the JVA bid of \$41,200.00 for engineering drawings seemed excessive. Director Steigers agreed,

but explained that someone other than him would need to prepare the bid documents if additional bids were to be solicited.

At the conclusion of the discussion, the Board decided to ask JVA to develop the additional options referred to above and to send a revised proposal back to the Board that shared with the HOA Board of Directors. It is hoped that JVA can present the Board with a number of options for replacing the pipe. Director Lee particularly noted that the HOA's review and input with respect to any proposal should be obtained before the Metro District makes any final decision. No final action was taken with respect to the JVA proposal at this meeting.

DENVER CHILDREN'S FOUNDATION 2023 EVENT DISCUSSION

The Board believed that overall, the Denver Children's Foundation Event held on the Polo Fields in July 2023 went well. The drone show did not appear to be contained within the agreed upon restricted area. At least one drone may have traveled over an adjacent homeowner property at a relatively low altitude. Nonetheless, the drone show on balance appeared to be well received. Post event cleanup went well. There are certain areas within the Polo Field and adjacent property where turf and other repairs need to be accomplished. Dave Radueg with J-5 is working with the Foundation to repair these areas.

THIRD AMENDMENT TO J-5 LICENSE AGREEMENT

Legal counsel reviewed with the Board a draft Third Amendment to the J-5 License Agreement. The Third Amendment extends the J-5 license to use the Polo Fields for Polo and the Polo Classic Event up to and including December 31, 2028. Following a brief discussion, a motion was made by Director Weiss and seconded by Director McGinnis to approve the amendment and authorize it to be sent to Len Goldstein, the attorney for J-5. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED.

UPCOMING HOA PAVING PROJECT

There was a general discussion regarding the road paving project that will be performed by the HOA in the upcoming weeks. The District will request a copy of the project's paving schedule.

Preliminarily, it appears the paving will be done from Wednesday-Friday, July 23, 24, and 25, 2023. The work will start near Bill Steigers house and end at Mineral Avenue at the south end of the subdivision.

There was additional discussion concerning the sand piles that have been used by J-5 and are adjacent to or on that portion of the road as you enter the subdivision from the South and start to turn West at the southeast end of the Polo Fields. It is not entirely clear as to whether the sand is currently being stored on HOA property or Metro District

property. At a minimum, J-5 will need to make arrangements to move the sand currently stored on paved surfaces to another location during the paving project.

MISCELLANEOUS MATTERS

1. **Emerald Ash Borer Project.** Director Weiss informed the Board that the company he uses to treat the ash trees on his property treats them for a price of \$155.00 per tree. Quotes from other companies range from as high as \$425.00 per tree. It was noted that there are ash trees on both HOA and Metro District property. As a result of the discussion, it was agreed that Director Steigers will get quotes from other companies in addition to the one used by Director Weiss. Director Steigers and Director Weiss will come to the Board at its next meeting with a recommendation regarding a company to whom a contract should be awarded.

2. **Additional Irrigation System Repairs by Designs by Sundown.** The Board discussed the remaining repairs to the irrigation system that need to be made. A proposal to complete the work was submitted by Designs by Sundown for approximately \$15,000.00. Again, it was noted that the cost of completing the work would be shared 50% by the HOA and 50% by the Metro District. There was also a discussion as to addressing the clogging problems that occur to the irrigation pumps as a result of the microscopic Bryozoa that grow in the irrigation pipelines. Director Weiss will investigate what can be done to treat the water in a way that will kill the Bryozoa and save money for the HOA and the Metro District. The Metro District is looking to perform this work sometime during August. Director Weiss in concert with Director Steigers were authorized to proceed only with respect to Bryozoa mitigation.

3. **Land Care Solutions Contract Dispute.** The Board discussed the credit that Land Care Solutions, Inc. owes to the Metro District for hedge trimming work that the Metro District paid for but was never performed by Land Care Solutions. As a result of the discussion, it was decided legal counsel will work with Director Weiss to prepare a demand letter and send it to Land Care Solutions in the hopes that an acceptable compromise can be reached to avoid litigation.

Following a brief discussion, a motion authorizing Director Weiss to work with legal counsel was made by Director Steigers and seconded by Director McGinnis. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED.

NEW BUSINESS

There was no new business to come before the Board.

ADJOURNMENT

There being no further business to come before the Board, a motion was made by Director McGinnis and seconded by Director Weiss to adjourn. The Chair called for a vote, and the motion was UNANIMOUSLY ADOPTED.

Whereupon, this regular meeting of the Board of Directors of the Polo Reserve Metropolitan District adjourned at approximately 9:20 p.m. The next regular meeting of the Board of Directors is scheduled for Thursday, October 26, 2023, at 6:30 p.m. in Director Steigers' home located at 4481 West Caspian Circle, Littleton, Colorado 80128.

Respectfully submitted,



Timothy J. Flynn, Recording Secretary

Polo Reserve Metropolitan District
Balance Sheet
As of June 30, 2023

	Jun 30, 23
ASSETS	
Current Assets	
Checking/Savings	
1st Bank 3MO CD	225,000.00
1st Bank Operating	90,930.24
Total Checking/Savings	315,930.24
Accounts Receivable	
Accounts Receivable	2,425.00
Total Accounts Receivable	2,425.00
Other Current Assets	
Prepaid Insurance	2,174.00
Total Other Current Assets	2,174.00
Total Current Assets	320,529.24
TOTAL ASSETS	320,529.24
LIABILITIES & EQUITY	
Equity	
Nonspendable	4,508.00
Restricted	5,156.00
Unrestricted	267,896.53
Net Income	42,968.71
Total Equity	320,529.24
TOTAL LIABILITIES & EQUITY	320,529.24

Polo Reserve Metropolitan District Profit & Loss YTD Comparison

June 2023

	Jun 23	Jan - Jun 23
Ordinary Income/Expense		
Income		
Annual Fee-Fee in Lieu of Taxes	0.00	4,291.29
J5 Reimbursements		
J-5 Electrical	0.00	851.13
J-5 Landscape	0.00	181.49
J-5 Repairs	0.00	580.00
J-5 Water	0.00	109.50
Total J5 Reimbursements	0.00	1,722.12
HOA Reimbursements		
HOA Electrical	0.00	1,094.61
HOA Landscape	0.00	226.86
HOA Repairs	0.00	725.00
Total HOA Reimbursements	0.00	2,046.47
Interest Income	27.30	27.30
Polo Classic Fee	0.00	15,338.50
Arapahoe County Tax Revenue		
Property Tax Revenues-Operating	13,818.33	57,590.65
Specific Ownership Tax	465.22	2,207.41
Total Arapahoe County Tax Revenue	14,283.55	59,798.06
Total Income	14,310.85	83,223.74
Expense		
Operations		
Electric Charges	2,120.45	7,596.44
Landscape Contract	0.00	9,713.00
Miscellaneous Repairs	50.00	753.72
Pump Annual Maintenance	0.00	659.40
Pump Repairs	575.00	2,989.45
Sprinkler Repairs	0.00	1,574.33
Water	942.42	1,203.96
Total Operations	3,687.87	24,490.30
Administrative		
Bank Service Charges	10.00	60.00
Bookkeeping	2,600.00	4,450.00
Dues/Election	0.00	419.97
Insurance	362.34	2,174.00
Legal Fees	0.00	7,666.02
Treasurer's Fee-General Fund	207.68	862.28
Total Administrative	3,180.02	15,632.27
Interest Expense	0.00	132.46
Total Expense	6,867.89	40,255.03
Net Ordinary Income	7,442.96	42,968.71
Net Income	7,442.96	42,968.71

EXHIBIT B

**POLO RESERVE METROPOLITAN DISTRICT
INTERIM CLAIMS PAID
APRIL 27, 2023 - JUNE 30, 2023**

DATE	CK. #	VENDOR NAME	AMOUNT
5/19/2023	AutoPay	Xcel Energy	\$ 11.63
5/22/2023	AutoPay	Xcel Energy	\$ 1,738.70
5/26/2023	AutoPay	Denver Water 40000	\$ 115.54
6/9/2023	11591	Collins Cole Flynn Winn & Ulmer, PLLC	\$ 2,108.00
6/9/2023	11592	CO Water Well	\$ 575.00
6/9/2023	11593	Designs by Sundown	\$ 11,287.33
6/9/2023	11594	Lay, Hogan & Assoc.	\$ 2,600.00
6/9/2023	11595	Streamline	\$ 100.00
6/22/2023	AutoPay	Xcel Energy	\$ 14.45
6/23/2023	AutoPay	Xcel Energy	\$ 2,106.00
6/1/2623	AutoPay	Denver Water 40000	\$ 942.42
			\$ 21,599.07

EXHIBIT C

**POLO RESERVE METROPOLITAN DISTRICT
ACCOUNTS PAYABLE LISTING
June 30, 2023**

#	DATE	INV. #	VENDOR NAME	DESCRIPTION	ACCT NAME	AMOUNT	CHK. TOTAL
1	7/27/2023	81527	Designs By Sundown	May Fixed Fee Landscape Services	Landscape Maint.	\$ 9,895.00	
		81653	Designs By Sundown	May T&M Sprinkler Repairs	Landscape Sprinkler	18,251.15	\$ 28,146.15
2	7/27/2023	1A454DE7-0010	Streamline	Monthly web service fee	Office Exp	\$ 50.00	
3	7/27/2023	12938	Autumn Tree & Landscape	Tree Removal	Landscape Maint.	\$ 300.00	
4	7/27/2023	23-0310	CO Water Well	June Pump operations and system checks	Pump Maint.	\$ 575.00	
		23-0323	CO Water Well	June Pump Repairs	Pump Repairs	\$ 1,663.70	\$ 2,238.70
5	7/27/2023	2660856	Xcel Energy	June charges	Electric Charges	\$ 17.45	
6	7/31/2023	2867	Green & Associates LLC	Audit of 2022 Financial Statements	Audit & Accounting	\$ 5,100.00	
TOTAL EXPENDITURES TO BE PAID						\$ 35,852.30	