

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

GVR METROPOLITAN DISTRICT

Held: Wednesday, June 15, 2011 at 6:30 P.M. at the GVR
Metropolitan District Office, 18650 East 45th
Avenue, Denver, Colorado.

Attendance

The regular meeting of the Board of Directors of the GVR Metropolitan District was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. Except where indicated, the following Directors, having confirmed their continued qualification to serve on the Board by affidavit filed with the District, were in attendance:

Michael George, President
Anthony Noble, Treasurer
Mary Schumer, Secretary
Michael Haskins, Director
Earleen Brown, Director
Fenna Tanner, Director
Chuck Britton, Director

Absent: None.

Also present were Andrew Pimental, District Manager, and Micaela Duffy, District Accountant, GVR Metropolitan District; Barbara T. Vander Wall, Seter & Vander Wall, P.C., legal counsel; Mariann Toomey, Eric Gravenson, Jim Tanner, Roger Rohrer, Walt Cross, Elaine Smith, District residents; Charlie Foster, Town Center Metro District; Denver Police Officers Tony Bruce* and Ernie Sandoval*, and Ray Russell*, Haynie & Company.

[*Departed when indicated.]

Call to Order / Quorum

Chairman Michael George noted that a quorum of the Board existed with all directors present. Thereafter, Director George

RECORD OF PROCEEDINGS

called the regular meeting of the Board of Directors of the GVR Metropolitan District to order.

Approval of Agenda

The Board reviewed the agenda, and by unanimous vote, the Board approved the agenda.

Conflict of Interest/ Disclosure Matters

The Board had been previously advised that pursuant to Colorado law, certain disclosures by the Board members might be required prior to taking official action at the meeting. Legal counsel advised that written disclosures of the conflicts of interest for each Director (with the exception of Director Britton) had been filed with the Secretary of State prior to the meeting.

No additional conflict disclosures were announced.

Approval of Minutes

The minutes of the regular meeting of the Board of Directors held May 18, 2011, were read. Upon motion, second and a vote of five in favor, one abstention (Director Tanner) and one opposed (Director Britton), the Board approved the minutes as presented.

Public Comment Period:

- HOA

Marianne Toomey, speaking on behalf of the HOA, thanked the District for the display of the Green Valley Community Garage Sale signs. The sale is to be held Friday and Saturday, June 17th and 18th.

- CAB

There was no comment from the Citizen's Advisory Board.

- Denver Police Dept.

Denver Police Officer Tony Bruce provided crime statistics for the area to date, including comparisons between 2010 and 2011. Of note, burglaries are down by approximately 5%, theft of motor vehicles is down by approximately 18%, and theft from motor vehicles is up by 6%. He also spoke on recent episodes of criminal mischief associated with the warmer weather and the end of the school year. He noted that many incidents do not get called in via the 911 or the non-emergency phone number, which could otherwise be handled if reported. Officer Ernie Sandoval introduced himself from the SCAT Team portion of District 5. Officer Sandoval announced the "Team 0 Fail" event to be held on June 23, 2011 at the District 5 station -- a blood drive and fund raiser for Children's Hospital.

RECORD OF PROCEEDINGS

[*Officers Bruce and Sandoval departed at this time.]

- Other

There were no other comments from the public at this time.

Attorney's Report

Ms. Vander Wall directed the Board members to her written legal report, which identifies outstanding items for the Board. She indicated that these items will be discussed as part of the agenda items.

Director Items

Director Noble reported on graffiti he discovered on a District monument, and noted that it had been there for over a week; the graffiti needed to be cleaned off with a power wash spray. He also spoke with the adjacent car wash owners regarding removing the graffiti on their wall. Mr. Pimental stated that he will work with staff to make sure future removal is done in a timely fashion.

Director Britton stated that Suze Orman, a financial advisor who appears on television, is now recommending that people rent instead of buy homes. Director Britton estimates that he's paid approximately \$13,000 to the District and the HOA since he's owned his home, and that he cannot figure out the benefit received, and that he would be better off renting. He has received his tax bill, and his property valuation has increased. He noted that he felt there are too many people helping the homeowners spend their money.

There were no other Director items presented.

Board Reports:

- May 2011 Financials

Director Anthony Noble presented to the Board the financial report for the District for the period ending May 31, 2011. Following discussion, and upon motion duly made, seconded and a vote of six in favor, one against (Director Britton), the Board accepted the May financials as presented.

- Claims Report

Mr. Noble next reviewed with the Board the revised listing of claims payable through June 15, 2011. He pointed out that the District is slightly behind in its collection of tax revenues, compared to the year prior. After further conversation, and upon motion duly made, seconded and a vote of six in favor, one against (Director Britton), the Board approved the payment of claims as presented.

RECORD OF PROCEEDINGS

Presentation of 2010 Audit

Mr. Ray Russell, Jr. presented the District's proposed audit for 2010 to the Board. Mr. Russell reviewed the draft audit with the Board, noting that the opinion is clean, that the auditors found no deviations from GAAP, and that financial statements presented throughout the year to the Board are fair and accurate.

Mr. Russell noted that there is a change in the auditing regulations for 2011 which implements GASB54 and affects the reporting of the statement of net assets. He recommended that Ms. Duffy, as the District's accountant, attend a class in the near future to become familiar with the new regulation.

Mr. Russell discussed with the Board the auditor's required communications in compliance with auditing policies. There was additional discussion regarding the District's investment of funds in ColoTrust versus certificates of deposits. He pointed out the need to have funds in institutions which comply with the Public Deposit Protection Act, and noted the current FDIC insurance limit of \$250,000. It was agreed that Mr. Pimental and the District's finance committee would review options for investment of District funds.

Following the review of the audit and follow-up discussion, and upon motion, second and unanimous vote, the Board accepted the 2010 audit. The Board thanked Mr. Russell for the presentation, and thanked Ms. Duffy for her work in preparation for the audit.

[*Mr. Russell departed at this time.]

- District Manager Report

Mr. Pimental reported that the District has been qualified to receive a grant from the Red Cross for an automated external defibrillator. The District needs ten people, including Board members, staff and volunteers, to be trained for certification on the AED; a training class has been scheduled for September 8, 2011.

Mr. Pimental updated the Board and community on the detention pond work at 41st and Ensenada. He stated that this was more of an HOA item and he will also report this item to the HOA Board at their next meeting on June 22. He described the recent work that has been completed at the detention pond. The pond had sedimentation approximately five feet deep, which is now almost

RECORD OF PROCEEDINGS

fully excavated. One of the outflows had a buried pipe, which was broken and was repaired. The pond's standpipe (only drainage) was also discovered to have outdated hole sizing, which will also be fixed during this work. Once the mitigation efforts are complete, the detention pond will require an estimated 50 hours per year for maintenance. The District's staff maintains the smaller detention ponds throughout the community, and will look to see whether this additional pond maintenance can be included as part of the work done in-house.

There was an inquiry regarding ownership and removal of the dead trees located at the site of the Public Service Company station south of Marrama School. Mr. Pimental noted that these trees appear to be on property owned by Denver Water, and also on the Lil Buckaroo Property and he thought some of them are slated to be removed in the future with the relocation of the tributary on that property.

Mr. Pimental also updated the Board as to the status of Filing 17 / Mitchell Place, and the modified work schedule being implemented by the District for the summer months. The Directors were referred to the manager's report for additional updates, included in the meeting materials.

Discussion Items / Unfinished Business:

SOP

The Board discussed the option of incorporating prior policy-based resolutions into the SOP manual as an appendix, or incorporating their provisions into the manual. The Board agreed to incorporate the resolutions into the manual, such that the resolutions would be superseded by the SOP manual and no longer be effective. It was further agreed that the SOP manual should recite that procedures implementing the policies would be adopted on a department by department basis, as appropriate.

Discussion re Bids Received for Entrance Walkway Design

Mr. Pimental reported that the District received one bid for the front entrance walkway design. The Board agreed to defer further discussion pending the receipt of additional bids for the design and work.

Filing 33 Landscape Concept Plan

Mr. Pimental presented a concept plan and cost estimates obtained from Vogel & Associates, landscape architects. The Board

RECORD OF PROCEEDINGS

reviewed the landscape plan for the Filing 33 and Filing 28 improvements, which involves native grasses and xeric turf. This turf is anticipated to use approximately 50% less water than standard sod. Mr. Pimental explained that Oakwood has agreed to provide the District with Blue Spruce pine trees at \$200 per tree. The Board discussed alternative pine options, such as Austrian Pine or Ponderosa Pine. The plan includes the possibility of natural berms as a landscape feature. Mr. Pimental noted that the monument was estimated at \$15,000 - \$20,000 in costs; he recommends the District leave out the monumentation for now with the option to add it in at a later date. It is proposed that the project be paid for out of the District's 2012 budget, including the \$90,000 reimbursement amount from HC Development. The net cost to the District is estimated to be around \$23,000 for the current design, and using in-house staff to acquire and plant the trees and shrubs.

There was further discussion regarding whether to structure the landscape plan with a focus on reduction on water costs, or to model the plan after the other District landscaped entrance areas, which has a focus of greener turf which requires higher levels of irrigation. Mr. Rohrer introduced the concept of bringing in a water conservation consultant who may advise the District as to options with regard to the plan and water conservation. Mr. Noble stated that he did not want the District to have an appearance of having landscape problems. It was noted that a landscape conservation plan may take 10-15 years to fully implement. Mr. George stated that the Board should explore further water conservation options for discussion. Mr. Pimental reminded the Board that the District's annual water budget is \$125,000 per year and that number grows each year with use and with added landscape improvements throughout the District.

Discussion Items / New Business:

Director Britton Request for Investigation

Ms. Vander Wall reported that Director Britton presented a letter to the Board at the May District Board meeting with a request for an investigation related to the District Manager, the District's past president, and the District's attorney, per the details contained in the letter. A copy of Director Britton's letter was included with the legal status report. Ms. Vander Wall recommended that in the Board's consideration of whether

RECORD OF PROCEEDINGS

to proceed with the requested investigation, it first identify what it is investigating, and why. Director Britton referred the Board to an inquiry made by the District to the police in 2010 involving his behavior, resulting in him being questioned. He noted that he chose not to pursue the issue any further at that time. After further discussion, Director Britton motioned that the Board proceed with the requested investigation. There was no second, and the motion died.

2011 SDA Annual
Conference / District
Workshop re Strategic Plan

Mr. Pimental reminded the Board of the annual Special District Association conference, held this year in Breckenridge, Colorado, on September 14-16, 2011. Six Board members acknowledged their commitment to attend; Director Britton stated that he did not yet know if he would be attending. Mr. Pimental stated that he would try to schedule a Board workshop for discussions regarding updating the District's strategic plan.

Other Business

There was no other business for discussion at this time.

Adjournment

There being no further business to come before the Board, and upon motion duly made, seconded and unanimously carried, the meeting was adjourned at approximately 8:40 p.m.

Secretary for the Meeting

GVR\MINS
BTW1640
0822.0006