

## RECORD OF PROCEEDINGS

### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF

### GVR METROPOLITAN DISTRICT

Held: Wednesday, November 14, 2007 at 6:30 p.m., at the GVR Metropolitan District Office, 18650 East 45<sup>th</sup> Avenue, Denver, Colorado

Attendance A regular meeting of the Board of Directors of GVR Metropolitan District, Denver, Colorado, was called and held as shown above and in accordance with the applicable statutes of the State of Colorado with the following directors present and acting:

T.J. Stone, President  
Elana Perry, Vice President  
Marlene Martin, Secretary/Treasurer  
Michael George  
Joanne True

Also present were: Evan D. Ela, Collins Cockrel & Cole, a professional corporation; Micaela Duffy, Interim District Manager; Gary B. Haley, Website Committee; Molly Ryan, Master HOA Manager; Charlie Foster, Oakwood Homes; Ron Greening, Charles Spratt, John Smith, Elaine Smith, Walt Cross, John Lohmer, Mary Schumer, Rob Lego, Stewart S. Kevain, James Davis, Brianna Davis, HOA Newsletter Editor.

1. Call to Order Chairman Stone called the meeting of the Board of Directors of the GVR Metropolitan District to order at 6:40 p.m.
2. Approve Agenda Chairman Stone invited comments on the agenda, and additions to the agenda were made as follows: Item 6.f – Master HOA Functions, item 7.a – Hearing on the 2008 Budget and item 7.b – Public Hearing on Amendment to the 2007 District Budget. The Board approved all agenda revisions by consensus.
3. Comment Period
  - a. **Developer Representative(s)**

Mr. Charlie Foster stated that he had no specific comments for the Board.
  - b. **Master Homeowners Association Representative**

Ms. Molly Ryan, Master HOA Manager, informed the Board that the Spanish translation of HOA documents was underway. She stated that the HOA transition continues to go smoothly.

c. **Public Comment**

Several comments from the public were heard as follows:

- Mary Schumer requested that the Board meeting minutes be made available freely to the public. Chairman Stone responded that the District website is under construction, and when live, all approved District minutes will be posted on the website and be freely available. He also mentioned that the current District policy, requiring written requests for any District documents, is designed to recoup the expense of the District in finding and making copies of such documents.
- Ms. Elaine Smith and John Smith both stated that they would like to see the District minutes published in the Master HOA Newsletter published each month. Chairman Stone stated that it was possible to do so, but reminded them that due to the length of the District minutes, the Newsletter would grow significantly from the current 16-20 page newsletter to potentially 28-32 pages. The Smiths reiterated their desire to see publication of the minutes regardless of the cost.
- Another member of the audience inquired whether there is a conflict of interest created by having members of the Master HOA Board sitting also as elected directors of the District Board. Chairman Stone informed all assembled that the conflict matter had been fully discussed in prior meetings and in most day-to-day activities does not create a conflict. He reminded the attendees that the standards for determining a conflict of interest are different under a HOA structure than it is under a District structure due to the specific laws governing each type of organization. He also stated that both Boards are careful to disclose any perceived conflicts and to recuse from voting on issues if an actual or potential conflict exists.
- Members of the audience also inquired about the outcome of the recent election and expressed frustration with the lateness of receiving ballots or having to request ballots. Mr. Ela and Chairman Stone explained the difficulties encountered by the District in relying upon a vendor to timely print and distribute the ballots, and explained that when the lateness problem became apparent, the District obtained an Order from the District Court authorizing an extension of the time to obtain and return ballots by seven days. This was done to give all voters a complete opportunity to consider the ballot and vote. Mr. Ela also reported that the ballot issue had passed by a margin of

approximately 2 to 1.

- Members of the audience also asked how the actual tax mill levy would be set for 2008. Chairman Stone described the Board's budget approval process, which is followed by a determination of the mill levy that would be necessary to meet the budget up to the maximum amount of mill levy approved by the voters. He stated that the mill levy will be set and certified by the end of 2007.

4. Consent Agenda    a. **Minutes**

Mr. Ela suggested that the minutes from the October 10, 2007 regular Board meeting be pulled for discussion among Board members. The Board, by consensus, agreed to discuss the draft minutes, and proceeded to do so. **Specific revisions were identified and upon motion by Director Martin, seconded by Director Perry, the Board unanimously approved the minutes as revised.**

b. **District Manager Report**

Director True suggested that several items in the District Manager Report required discussion and asked that they be pulled from the consent agenda. The Board agreed and Director True inquired about the following matters:

- She encouraged the staff to have the monument signs repaired as soon as possible and prior to the end of the year. She noted that the project had been on the maintenance committee task list for some time.
- She inquired about the safety manual being prepared by the staff. Ms. Duffy reported that the manual had been drafted, but not yet fully reviewed and finalized for Board approval by the vacant District Manager.
- Director True noted that the drawings for design of improvements to the City of Denver medians need to be completed by the staff so that construction can begin.
- The hole in the wall of the Administration Building should be fixed, if not already done.
- Director True inquired about the color charts for fence staining. Ms. Duffy replied that the color charts have been received and can now be reviewed by Chairman Stone to determine appropriate stain color.

- Director True noted that the calendars showing District activities appear to have some inaccurate times and dates. It was pointed out that re-scheduled Board meetings in recent months had caused disruption of the normal meeting schedule.
- She noted her approval of the fact that the Summer Youth Program had met its budget goals in 2007. She commended the staff for its success.
- Director Martin inquired of Director George about his input to the median designs. Director George responded that his goal is to have a greater use of hardscaping for the medians, such as stamped and colored concrete or other materials that resist damage and are easy to maintain.

**c. Balance of the Consent Agenda**

**The Board then recognized that all matters had been discussed and upon motion by Director George, seconded by Director Martin, the Board unanimously approved the balance of the consent agenda, including the District Manager report.**

5. Director Items

There were no specific items addressed by the Directors.

6. Legal Report

**a. Roybal Architecture**

Mr. Ela reported to the Board that nothing further has occurred since his earlier communications with Mr. Roybal's attorney. He stated that he is waiting for an evaluation by Vastco, Director True and Chairman Stone concerning the value of the design materials received from Mr. Roybal and whether payment of Mr. Roybal's final invoice of \$8,000 was justified.

**b. Oakwood Homes**

Mr. Ela directed the Board's attention to the letter from his firm to Oakwood Homes presenting a counterproposal to Oakwood's offer of settlement. He noted for the Board a deadline of November 19, 2007 for a response from Oakwood, and the attendant desire to conclude the settlement prior to the end of 2007.

**c. General Steel**

Mr. Ela directed the Board's attention to his firm's letter to General Steel recognizing the impasse reached in negotiations concerning interpretation of terms for development of the Community Center by General Steel. He informed the Board that the committee is investigating other possible means for constructing the Community

Center.

**d. Election Update**

Mr. Ela reported that the Canvass Board results indicated a passage of the tax issue at the November election by a margin of 589 “yes” votes and 268 “no” votes. The Board expressed its appreciation to the voters for having passed the issue and recognized that it should lead to a more streamlined and efficient operation of all functions within the District and HOA boundaries. Mr. Ela explained to the Board some of the problems that his firm encountered with the vendor, Premier Election Solutions, and that they should expect a reduction in the costs charged by Premier as a result. Premier failed to print the ballots on time and to get the ballots mailed in a timely manner causing many voters to receive their ballots about a week late. The Board instructed Mr. Ela to prepare a letter to the Colorado Secretary of State expressing the frustration the District experienced with Premier so that a record of the failures on file with the Secretary of State’s office.

**e. Transition to Performance of Master HOA Functions**

Mr. Ela informed the Board of the legal requirements associated with the District assumption of covenant control functions for the Master HOA. He noted that the current Service Plan for the District does not provide for that function although Colorado statutes do. He stated that the proper procedure is to publish a “45-day Notice,” stating the District’s intent to provide the covenant control services, along with providing a copy of the Notice to both the District Court and the City and County of Denver. Mr. Ela stated that his firm would prepare, publish and send the Notice soon after the meeting so that the 45-day period would expire by the first week in January, when the District will take over performance of the covenant control functions. Eventually, formal amendment of the District’s Service Plan is recommended.

**f. Camera System Update**

Mr. Ela inquired about the continuing activity of HSM Security in repairing and making operational the security camera system. Ms. Duffy informed the Board that there had been no activity by HSM for approximately a month’s time, and that HSM may be attempting to obtain additional equipment from a manufacturer. The Board expressed its frustration with the length of the process and asked Mr. Ela to prepare and send a demand letter to HSM requiring completion of repair no later than December 2007.

7. Public Hearing

a. **Public Hearing on Proposed Budget for Fiscal Year 2008**

The public hearing was called to order at 8:00 p.m. by Chairman Stone. Chairman Stone presented the budget to the Board and members of the public in attendance. He explained several line items and the comparison of year-to-year expenses for such line items on the Budget Summary document provided to the public and Board members. During the hearing, comments were made by the public in attendance including the following:

- Ms. Elaine Smith inquired about the proposed Community Center project. She inquired how construction of that project was being financed. Chairman Stone and Board members replied that the funds for the project have been accumulated by the District over a period of years, principally from interest earnings on system development fees obtained from residential developers, certain portions of such system development fees, litigation settlement payments received from Oakwood Homes stemming from a 1998 lawsuit, and other non-tax sources of District funds.
- Another individual inquired about how the costs of ongoing staffing and maintenance of the Community Center would be paid. Chairman Stone replied that costs for the Community Center are expected to be paid primarily through user fees for recreation programs, community events and private events that rent the space. Director True added that the steady number of requests received by the District requesting use of the District's Administrative Office indicate that a large demand for facilities is not being met within the Green Valley Ranch area. There being no further comments from the public, the public hearing was closed at 8:20 p.m.

b. **Public Hearing on the Proposed Amendment to Budget for Fiscal Year 2007**

Chairman Stone opened the public hearing at 8:21 p.m. Chairman Stone explained the reasons for the amendment to the 2007 budget. He noted several line item matters that had changed significantly since the budget was approved in December 2006, and therefore the need for an amendment. The public offered no comments on the proposed amendment. The public hearing was closed at 8:23 p.m.

8. Discussion Items

a. **Website Project**

Mr. Gary Haley explained the priorities for development of website functions. He explained that the following things will be on display

on the website after the website goes live:

- Minutes
- Latest approved audit (current at this time is the 2006 audit)
- The approved District budget
- A calendar of community events that are known by the District
- A monthly financial statement for the District

Upon request from the audience, the website addresses for each of the GVR related websites were given out.

**b. Community Center Project**

Director True explained to the Board that due to the impasse with General Steel, the committee sent a letter to the other finalists from the design-build qualifications process asking each to attend a pre-proposal meeting on November 16, 2007 at 3:00 p.m. She explained that one of those finalists will be selected to construct the project if terms are satisfactory.

In response to questions from the audience, she explained that there had been several past public meetings within the District to gain input on the functions and features desired in the Community Center. A volunteer committee of over 20 people had participated in fashioning the features of the facility. She again stated that the need for the facility has been well documented by the District Board based on numerous requests made to the District each week for space to hold the kinds of functions that the Community Center will be designed to host.

**c. Maintenance Building Project**

Mr. Ela reported that he had been working with Chairman Stone to get the project back on an active track. He explained that there had been discussion with C4i Design Group, the architects involved with the design and responsible for obtaining City approvals, on the issue of what work C4i is responsible for in light of regulatory changes by the City of Denver. Chairman Stone described for the audience the scope of the Maintenance Building Project, the need for the project and the City PUD approval process that the District completed.

**d. District Manager Selection Process**

Chairman Stone informed all in attendance that the District had hired

a new District Manager by the name of Mr. Ross Blackmer. He stated that Mr. Blackmer was well-qualified, citing his prior experience with other special districts and particularly, with recreation programs. He stated that Mr. Blackmer will begin serving in his new position at the beginning of December 2007.

- 9. Executive Session      There was no executive session held.
- 10. Other Matters      No other matters came before the Board.
- 11. Adjournment      **Upon motion duly made and seconded the meeting was adjourned at 8:50 p.m.**

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting and was approved by the Board of Directors of the District on 12<sup>th</sup> day of December, 2007.

Respectfully submitted,

/s/

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Marlene A. Martin, Secretary