

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

GVR METROPOLITAN DISTRICT

Held: Wednesday, August 18, 2010 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
Michael Haskins, Vice President
Anthony Noble, Treasurer
Mary Schumer, Secretary
Fenna Tanner, Director
Charles Britton*, Director (affidavit not on file)

Absent: Earleen Brown (absence excused).

Also present were Andrew Pimental, District Manager, GVR Metropolitan District; Barbara T. Vander Wall, Seter & Vander Wall, P.C., legal counsel; Joanne True, Eric Gravenson, Richard Melano, Mariann Toomey, Elaine and John Smith, Charles Spratt, Walt Cross, James Tanner, Manuel Pacis, District residents; and Charlie Foster, Town Center Metro District.

[*Departed when indicated.]

Call to Order / Quorum

Chairman Michael George noted that a quorum of the Board existed with six directors present. Thereafter, Director George called the regular meeting of the Board of Directors of the GVR Metropolitan District to order.

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The Board unanimously agreed to excuse the absence of Director Earleen Brown, which absence had been reported to the Manager in advance of the meeting.

Approval of Agenda

The Board reviewed and approved the agenda, and by a vote of five in favor and one opposed (Director Britton), agreed to revise the agenda to add a tree planting proposal as new business item no. 11b.

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. It was noted that Director Britton has been requested to complete the director affidavit and disclosure forms for filing, and that he has elected not to complete the forms.

No additional conflict disclosures were announced.

Approval of Minutes

The minutes of the regular meeting of the Board of Directors held July 21, 2010 were read. Upon motion duly made and seconded, the Board approved the minutes as presented by vote of two in favor and one opposed (Director Britton), and abstentions by Directors Tanner, Schumer and Haskins.

Public Comment Period: - Public Comment

Ms. True spoke to question the filing of director conflicts of interest statements.

Mr. Spratt spoke to make a request on behalf of several homeowners for permission to install several trees through a Denver program on District-owned property. The Board indicated that this item would be brought up later on in the agenda.

Mr. Gravenson requested that he be able to reserve his comments to later on in the agenda.

- Master HOA for GVR

Mr. Tanner stated that the HOA has deferred discussion regarding HOA / District signs to the next meeting when Mr. Pimental can attend.

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- CAB

There was no comment on behalf of the Citizen's Advisory Board.

Attorney's Report

Ms. Vander Wall directed the Board members to her written legal report, which identifies outstanding items for Board update. She informed the Board of the status of the service plan amendment and the City of Denver review process, and provided Board members with a copy of the draft service plan amendment being presented to Denver's special district committee for discussion. She also reminded the Board as to the manager evaluation for the prior period which remains outstanding, as well as the contract for the next period. Finally, she provided Board members with a memo on permitted and prohibited campaign activities in connection with the three ballot measures which will appear on the Statewide ballot in November, 2010, as well as the proposed Board resolution taking a position against Proposition 101, Amendment 60 and Amendment 61, as discussed at the last Board meeting.

Director Items

Director Britton made the following statements: (1) he will be unable to attend the September and October Board meetings due to prior commitments; (2) he suggested that the District limit attendance at the SDA annual conference to two Board members and no employees; (3) he commented on the District's recent survey results, and suggested that the residents are hostile because they are being asked to fill out the survey and that unreturned forms should be counted as a "no"; and (4) he noted that he has received a copy of the summons for his arrest, but will defer the topic to a discussion at a subsequent Board meeting.

Director Schumer commended Manager Andrew Pimental and Tom Gibbons on their being selected to speak at the SDA conference on the District's GIS system.

Board Reports:
- July Financials

Director Anthony Noble presented to the Board the financial report for the District for the period ending July 31, 2010. He indicated that he has a few questions concerning the report including salary expenses which he will direct toward Micaela Duffy. He will follow up with the Board in the event that there remain unresolved issues. It was noted that the District is ahead of its property tax collections this year compared to last. Upon motion duly made and seconded, the Board accepted the July financials by a vote of five in favor to one opposed (Director

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Britton). The Board next reviewed the list of claims presented, and upon motion duly made, and seconded, the Board approved the payment of the claims as presented, by a vote of five in favor to one opposed (Director Britton).

- District Manager Report

Mr. Pimental directed the Board members to the Manager's Report provided in the Board packets for Board review. He also addressed questions raised by Director Brown in an e-mail. He noted that the common areas along the Highline Canal are maintained by the City and County of Denver and not the District. Denver has purposefully designed these areas as "native grasses" and it is therefore not landscaped to the same level as some of the other areas. Denver has an obligation to mow a three foot strip on each side, pursuant to a contract with Denver Water. Ms. True added that she is aware that there are some areas that Denver refuses to mow because it is not safe for riding mowers. Mr. Pimental reminded the Board that pursuant to a District-wide survey performed in 2009, a majority of the residents who responded rejected the expenditure of District revenues on enhancing this specific native area throughout the highline canal corridor.

Mr. Pimental reported that the design for the Andes walk-through is scheduled to be discussed at the September meeting.

Mr. Pimental is currently looking at a closer location for storage options of District equipment to save on costs, and he is in discussions with Oakwood regarding facilities in the vicinity of 42nd and Picadilly which are under construction.

Mr. Pimental thanked Mariann Toomey for her travel presentation at the recent Coffee and Chat program.

Summer camp has closed with a total of 91 enrolled campers, which is the District's highest attendance to date.

The Pirnak-Walters mediation has been completed and the District has entered into a settlement with the contractor, including a release of all claims.

Mr. Pimental reminded the Board of the forensic audit that was initiated in the Spring 2009 , following the indictment of a prior Board member for crimes unrelated to service to the District.

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During the audit process, several concerns were identified and concurrently passed along to the Denver District Attorney's office for additional investigation and review. The District received a final decision from the DA's office that the investigation has been completed and that no evidence was found that a crime was committed based on the documentation contained within the forensic audit and complaint. After discussion, the Board agreed to make a copy of the final forensic audit report available to the public for review or copy through the District's public information policy.

Discussion Items / Unfinished Business:

- HOA / District Services Agreement

Ms. Vander Wall reviewed with the Board the contents of a legal memorandum regarding the proposed arrangement between the District and the HOA for covenant enforcement services. Ms. Vander Wall discussed the 2004 legislation which makes the power of covenant enforcement and design review services available to special districts, and the limitations on these powers as it applies to the expenditure of tax revenues. The Board held a detailed discussion of various issues related to the proposed services, including the revenue options for funding the covenant enforcement services, the independent budgeting requirements for each entity, the paring down of the proposed services to stay within the covenant enforcement and design review parameters, and the level of expenditures required for the performance of the services. It was determined that the District / HOA committee would meet again to further discuss these issues and provide additional direction.

- Draft Safety Manual

After Board discussion, and upon motion, second and vote, the Board approved the Safety Manual, with one vote in opposition (Director Britton) and one abstention (Director Tanner).

- Draft Standard Operating Policy and Procedure Manual

The Board agreed to spend additional time reviewing the Draft SOP Manual.

- Community Survey Results

Mr. Pimental reported on the results of the recent survey submitted to the community on the question of whether the District should spend reserve funds, and potential GOCO grant funds, on the three-acre parcel for outdoor recreational use purposes. The responses were due by August 13, 2010. Of

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approximately 4,862 surveyed, 147 responses were received with 63% in favor of the acquisition; approximately 150 surveys were returned as undeliverable.

The Board held a lengthy discussion on how to treat the survey as being reflective of the District's constituents. The Board also discussed the specific questions of: (1) whether to proceed with the GOCO grant application for funds to apply toward the acquisition of the 48th & Jebel property, (2) whether to submit an offer for the Jebel property; and (3) whether to seek an appraisal on the 48th & Jebel property to assist in the formulation of an offer and in the grant application process. The motion was made by Director Tanner to pursue the idea of purchasing the 48th & Jebel property, contingent upon the purchase price being less than or equal to the appraised value, and receipt of the GOCO grant funds. The motion was seconded by Director Haskins. Upon a vote, the motion failed by a vote of two in favor and four opposed.

- Resolution No. 08-18-10(A)
re GOCO Grant Application

It was determined that this Resolution would be pulled from the agenda as a result of the previous discussion.

- Presentation re Prop 101,
Amendments 60 and 61

Mr. Pimental provided a PowerPoint presentation to the Board on the ballot measures which will be voted on at the State-wide election in November: Proposition 101, and Amendments 60 and 61, and their impacts on the District if passed. The Board thanked Mr. Pimental for the detailed presentation.

At this time, Mr. Eric Gravenson requested an opportunity to provide public comment, which was granted. Mr. Gravenson expressed his views and objections to a government such as GVR Metropolitan District taking a position of advocacy relating to election issues, despite the legal right to do so by statute.

- Resolution No. 08-18-10(B)
re Formal Position on Prop.
101, Amendments 60 and 61

The Board determined not to adopt a resolution regarding Prop. 101, and Amendments 60 and 61 at this time.

- Resolution No. 08-18-10(C)
re Meeting Location

Mr. Pimental introduced a resolution for Board consideration regarding holding a Board workshop at the Keystone Conference Center, Keystone, Colorado. The Special District Association's annual conference is held in Keystone, Colorado, Sept. 22-24, 2010, and serves as a great opportunity to obtain information which can be used to benefit the District and its constituents. The

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purpose of the workshop is to allow the Board to continue its education regarding Board of Directors' responsibilities, duties and background related to the GVR Metropolitan District. It was noted that six of the seven Board members have elected to attend the SDA annual conference in Keystone, Colorado. The meeting is scheduled to take place at the upper lobby area of the Center, on September 22, 2010 at 4:00 p.m. Upon motion, second and vote, the Board approved the Resolution as presented, with one in opposition (Director Britton). It was also noted by Mr. Pimental that two of the Directors will be attending the conference on full scholarship.

Discussion Items / New Business:

- 2011 Budget Timeline

Mr. Pimental distributed a copy of a budget timeline for the 2011 District budget. He will be working with staff and the budget committee on budget documents between August and October. The proposed budget will be made available for review on October 15th; the District's public hearing on the budget is scheduled for November 17th, with formal adoption expected to take place at the meeting on December 8, 2010.

- Tree Proposal

Mr. Pimental referred the Board members to the written proposal submitted by five property owners within Filing 23, whose backyards border one of the District's natural open space common areas, which also parallels the Highline Canal. The proposal requests permission to plant, maintain and water up to three shade trees per property, approximately 1 ½" caliper size, within District property. The trees will be selected from the tree species provided through the "Denver Digs Trees" program. This is the proposal which homeowner Chuck Spratt referred to during the public comment portion of the meeting. Ms. Vander Wall advised the Board to consider whether the District would like to adopt a policy with parameters including watering issues, height, and ownership of the trees, to assist in establishing a precedent for future requests. It was noted that the intent of the property owners is for the trees to become property of the District, and after initial maintenance, the District would be responsible for their care. Upon motion, second and unanimous vote, the Board approved the proposal to allow for the donation of 12-15 trees to be planted on District property on Filing 23, Tract A.

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- District Manager Job Description

Ms. Vander Wall directed the Board members to the two versions of job descriptions and the draft management services agreement previously distributed, and discussed the use of the job description for purposes of performing an annual evaluation.

The Board discussed the fact that Mr. Pimental's evaluation for the previous year has not yet been performed, and then discussed the appropriate manner of completing the evaluation. It was determined that the Board members would each complete an evaluation form as used in the prior year, which would be compiled by Director Brown and incorporated into a single form. The Board members agreed to discuss the job performance in executive session at the next meeting, unless Mr. Pimental requested that the discussion be held in open session.

The Board agreed to defer discussion of the new agreement and job description to a later meeting.

Executive Session

Upon approval by a vote of at least two-thirds of a quorum of the Board, the Board determined to go into executive session for the purpose of discussing personnel matters relating to the District Manager's annual evaluation; and consultation with the attorney on specific legal questions related thereto, pursuant to § 24-6-402(4)(f) & (b), C.R.S., at approximately 10:10 p.m. Mr. Pimental requested to initially participate in the executive session conversation, as allowable by statute, and to remove himself from the session for a portion of the discussion as well.

[*Director Britton departed during the executive session.]

The Board reconvened from executive session at approximately 11:10 p.m. and affirmed that no actions had been taken during executive session.

Follow up re District Manager Evaluation

The Board members delegated Director Schumer, in the absence of Director Brown, to collect the written evaluation forms prepared by each Board member, to be consolidated into one form.

The Board agreed to hold discussion of the new agreement and job description at a future meeting.

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Mr. Pimental thanked the Board members for their input and feedback.

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 11:15 p.m.

Secretary for the Meeting

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