

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
STONEGATE VILLAGE METROPOLITAN DISTRICT
HELD
JANUARY 16, 2008

A regular meeting of the Board of Directors of the Stonegate Village Metropolitan District was held on Wednesday, January 16, 2008, at the District offices, 2 Inverness Drive East, Suite 200, Englewood, Colorado at 5:00 p.m.

Attendance: In Attendance were Directors:

Stephen Connelly
Jon Rich
Mike Sjobakken
Paula Fredericksen

Also in attendance were:

Pat Mulhern, Mitch Chambers and Niki Bussey; Mulhern MRE, Inc.
Jim Hunsaker; Grimshaw & Haring, P.C.
Dave Takeda; RG Engineers
Eric Keesen, Charlie Wenger; Brickman Group
John Simmons; Simmons and Wheeler, P.C.
Terry Miers, ECO Resources

Call to Order: The meeting was called to order by Director Sjobakken.

Minutes: The Board reviewed the minutes of the December 19, 2007 meeting. Upon motion made by Director Fredericksen, seconded by Director Connelly and, upon vote, unanimously carried, the minutes were approved.

Financial Matters: Payment of Claims

After discussion, upon a motion duly made by Director Sjobakken, seconded by Director Connelly and, upon vote, unanimously carried, the Board approved the December claims, with the exception of the checks payable to RS Wells, ECO Resources and RG Engineering, which are to be held pending further discussion and the check payable to Game, Set, Match, which will be reissued in a corrected amount.

Review of Financial Statements

Mr. Simmons reviewed the December Financials with the Board. Mr. Simmons indicated that he has reviewed and moved the capital items from the general fund to the capital fund as requested by Director Rich at the December meeting. Mr. Simmons will present the 2007 year-end financial statements at a later date after all 2007 invoices have been received and processed.

Cherry Creek Basin

Water Quality

Authority Fees

After discussion, upon a motion duly made by Director Connelly, seconded by Director Sjobakken and, upon vote, unanimously carried, the Board approved the payment of the 2007 Cherry Creek Basin Water Quality Authority Fees in the amount of \$11,891 and the payment of these fees quarterly in the future.

Park and Open

Space Items:

Mr. Wenger provided the parks and open space report. Mr. Wenger presented several small maintenance items he would like to proceed with. These items included replacing ballasts on several lights, removing the oxidation off metal on signs, painting railing on the north side of the district and researching the replacement of deteriorating neighborhood monument signs. The Board directed Mr. Wenger to proceed with all items presented. The Board also directed Mr. Wenger to verify that his staff is not removing snow at the elementary school.

Southwest Water

Company, Formerly

ECO Resources,

Items:

Ms. Miers reported that work began on the bar screen January 2, 2008. Flows are still above average and four flow meters are now in place. The interconnect to Cottonwood is in place and all chemicals are now liquid and in compliance with the fire department. Ms. Miers also indicated that the RAS line clean-out pipe at the water treatment plant had been hit and broken on January 15 and a report regarding the spill had to be filed.

Engineering Items:

Mr. Takeda reported that proposals are being solicited for a review on the chlorine facilities and for design and construction management. He also reported that he has updated the website that firefighters use to see the chemicals stored at wastewater treatment plant and water treatment plant. Mr. Chambers indicated that he will take the lead on a response to the CDPHE letter. The Board indicated that they are willing to lend whatever support is necessary on this response.

Items from the

Manager:

Manhole Covers

After discussion, upon a motion duly made by Director Rich, seconded by Director Fredericksen and, upon vote, unanimously carried, the Board approved the replacement plan for manhole covers throughout the District. The State of Colorado has asked for a plan outlining this replacement. The District has up to three years to replace all covers but the Board directed District Management to replace all covers in 2008 if possible.

Emergency Interconnect

Mr. Chambers indicated that to make the emergency interconnect permanent, the District must follow the site application process.

Water Systems Audit

Mr. Mulhern presented a plan to audit the Stonegate Village Metropolitan District water systems and water management. This audit would be done by a five-person audit board and they would focus on wastewater and water treatment plants. After discussion, upon motion duly made by Director Sjobakken, seconded by Director Rich and, upon vote unanimously carried, the Board approved an audit of the District wastewater and water systems in an amount not to exceed \$20,000.

Parker Fire

Mr. Chambers and Mr. Hunsaker met with the Deputy District Attorney on Friday, January 11 and Parker Fire on Tuesday, January 15.

I and I Issue

Four meters have been installed and are being checked daily. Manhole covers are going to be pulled to look for a color change in the water. The goal is to determine the source of infiltration. A log of flows is being kept at the plan and lift stations. Resolving this issue is extremely urgent.

ECO Contract

Mr. Chambers recommends four operators to operate the plant. Testing is an added cost to the contract. Mr. Chambers recommended that all extra costs over \$1,000 should be billed directly to the District rather than ECO Resources paying those and then billing the District for the charges plus a processing fee. Clear expectations for the operators need to be set and agreed upon. Mr. Chambers also recommended that he review everything happening at the Waste Water Treatment Plant and he will draft a letter to ECO regarding this issue.

National Meter

Mr. Chambers informed the Board that Laurie Tatlock at Mulhern MRE, Inc. had been able to negotiate a new meter reading price of \$.25 per meter rather than the \$.66 per meter they had been charging.

Compark

Mr. Chambers and Mr. Mulhern suggesting holding a work session to work through this issue. The Board agreed that this was necessary and Mr. Chambers will coordinate a time for this session.

RS Wells Letter Agreement

Mr. Reid presented a letter agreement to the Board for payment for services by RS Wells after their contract expires. After discussion, upon a motion duly made by Director Sjobakken, seconded by Director Fredericksen and, upon vote, unanimously carried, the Board approved the Letter Agreement with RS Wells related to assist the District with outstanding issues on a time and materials basis.

Fence Project Status

Mr. Chambers updated the Board on the status of the fence project. The project is still not completed and has many outstanding issues. Mr. Chambers recommended that all split rail fences be painted on both sides and that fence ends that are on the same plane as the District fences, but are not District fences, should be painted to match.

Dominion Water District

Mr. Mulhern asked the Board to approve a Resolution admitting Dominion Water and Sanitation District into the Douglas County Water Resource Authority. After review and discussion, upon motion duly made by Director Connelly, seconded by Director Sjobakken and upon vote, unanimously carried, the Board approved a Resolution admitting Dominion Water and Sanitation District into the Douglas County Water Resource Authority.

Mulhern MRE, Inc. Contract Overage

Mr. Mulhern explained that December costs for Mulhern MRE, Inc. related to management and transition of management of the Stonegate

Village Metropolitan District were much higher than anticipated. He asked if the District would be willing to split the overage amount with Mulhern MRE, Inc. After discussion, upon motion duly made by Director Rich, seconded by Director Connelly and upon vote, unanimously carried, the Board approved splitting the \$14,000 management cost overage with Mulhern MRE, Inc.

Items from the
Attorney:

At 9:00 p.m., pursuant to CRS §24-6-402(4)(b), the Board of Directors entered an Executive Session to discuss Parker Fire Department Issues. At 9:25 p.m., the Board exited the Executive Session.

Adjournment

Upon a motion duly made and seconded, the Board voted unanimously to adjourn the meeting.

Respectfully submitted,

Secretary for the Meeting