

DRAFT

RECORD OF PROCEEDINGS

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

A regular meeting of the Board of Directors of the Stonegate Village Metropolitan District was held on Thursday, June 18, 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
Dennis Jackson
Jon Rich
Mike Sjobakken

Director Shaw was absent and excused

Also in attendance were:

Pat Mulhern, Mitch Chambers and Niki Bussey; Mulhern MRE, Inc.
Jim Hunsaker; Grimshaw & Haring, P.C.
John Simmons; Simmons and Wheeler, P.C.
Bill Veydovec, Richard P. Arber and Associates

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

Minutes: The Board reviewed the minutes of the June 18, 2008 meeting. Upon motion made by Director Connelly, seconded by Director Sjobakken and, upon vote, unanimously carried, the minutes were approved.

Disclosure of
Potential Conflicts
of Interest:

Directors Connelly, Jackson, Rich and Sjobakken declared that they have no conflicts of interest.

Financial Matters: Payment of Claims

After discussion, upon a motion duly made by Director Connelly, seconded by Director Sjobakken and, upon vote, the Board unanimously approved the June claims.

Review of Financial Statements

Mr. Simmons reviewed the June Financials with the Board.

Draft Audit Audit Extension

Mr. Simmons reviewed the draft Audit with the Board. He then asked the Board to approve an audit extension in order to have time to finalize the draft audit before submitting to the State. Director Rich made a motion to approve the audit extension. Director Sjobakken seconded the motion and, upon vote, the Board unanimously approved an audit extension for the 2007 Audit.

WWTP Discussion

Mr. Veydovec gave an update on the Wastewater Treatment Plant and led a discussion on the next steps for the plant. The Board agreed to purchase a pump for an emergency interconnect instead of renting a pump if and when it is needed. The Board also directed Mr. Veydovec to submit a proposal for creating a WUMP and alternatives study for the plant.

Legal Matters

Mr. Hunsaker gave a legal update.

Coffee Shop The District will record a lien against this property for the outstanding tap fees. The owner will also sign a promissory note with a payment plan to pay the outstanding tap fees.

Reuter-Hess Agreement

The Reuter-Hess agreement is scheduled to close on August 19. The District should give both Compark and Lincoln Park notice of this closing.

Southwest Water Company Annual Contract

All but one term has been agreed upon and this agreement should be signed shortly.

Filter Feed Motor #3:

Director Connelly made a motion to approve the parts and labor to rebuild Filter Feed Motor No. 3 by Equinox Pump and Controls LLC in the amount of \$869.25. Director Sjobakken seconded the motion and, upon vote, it was unanimously approved.

Pump #2

Director Connelly made a motion to approve the removal and inspection of Pump No. 2 at the Quarry Hill Lift Station by Equinox Pump and Controls, LLC in the amount of \$385.00. Director Sjobakken seconded the motion and, upon vote, it was unanimously approved.

Disinfection at
WWTP and WTP

Director Connelly made a motion to direct Richard P. Arber Associates to prepare construction drawings and specifications for disinfection at the Wastewater Treatment Plant and the Water Treatment Plant in an amount not to exceed \$42,000. Director Sjobakken seconded the motion and, upon vote, it was unanimously approved.

NOV/CDO
Compliance

Director Connelly made a motion to approve Richard P Arber Associates continued assistance with the NOV/CDO compliance in an amount not to exceed \$11,000. Director Sjobakken seconded the motion and, upon vote, it was unanimously approved.

Miscellaneous
Engineering

Director Connelly made a motion to approve miscellaneous engineering services from Richard P Arber Associates in an amount not to exceed \$25,000. Director Sjobakken seconded the motion and, upon vote, it was unanimously approved.

Retaining Wall
Repair

Director Connelly made a motion to ratify the payment of \$17,099 to Dick Otke Construction for the repair of the retaining wall that was damaged in the water main line break on April 25, 2008. Director Sjobakken seconded the motion and, upon vote, it was unanimously approved.

District Manager's
Report

Mr. Chambers presented the District Manager's Report.

Full Compliance with CDPHE at the Wastewater Treatment Plant

It appears that the plant continues to meet the discharge permit requirements for discharges to the effluent reservoir. Southwest Water is completing the DMR for the month of June and we have included this in your packet. Per the DMR, there were no violations for the month of June.

Arber is in the process of completing the draft Comprehensive Performance Evaluation ("CPE") as required by the Amendment to Notice of Violation/Cease and Desist Order. The draft will be forwarded to you by email on Monday, July 14th and submitted to the CDPHE on July 15th.

Lillian Gonzalez with Environmental Resources Management ("ERM") and I met with Ginny Torrez, Bret Icenogle and Rick Koplitz of the CDPHE to discuss details of the industrial/commercial survey and wastewater characterization study. The field work will start on Monday,

July 14th followed by notification to the CDPHE that the survey has been initiated on July 15th.

The major focus of the efforts at the WWTP has been on the filters. We have been trying to fine tune the filters to improve backwash cycle time and provide consistent phosphorous removal. The process is basically trial and error. Dan Petramala with Arber will be assisting Terry Cunningham and Randy Jones with these efforts.

Other efforts include cleaning of the digesters, filter backwash tanks and responding to a sewer backup in the American Furniture Warehouse parking lot.

Community Center/Pool Expansion

Below is the current status and scope of the project:

Decisions from June 26th meeting

- New pool centrally located
- Keep restrooms in same location
- Include outdoor showers in new plans
- Single shaded entry to pool area for monitoring
- Pool area access from recreation room
- Only need one slide
- Keep large gate for events

Task List for the July 30th meeting

- Site survey needed for future design process
- Getting 2 or 3 estimates for survey
- Preliminary costs for community center renovation
- Video of pool users' circulation (flow) to better understand placement of shade structures.
- Pool and equipment report
- Looking at options for lap swimmers

Permanent Sodium Hypochlorite Facilities

Arber is preparing their proposal for the design of the permanent facilities.

Parker Fire Issues

Randy Jones is continuing discussions with his management regarding this issue. While this has been an outstanding issue for some time now, I believe that Randy has not been really pushing it with his management because of his focus on compliance and the operations contract.

WTP

As we discussed via email, we agreed to pay the S&O Development (Dick Otke Construction Company) \$17,099 for the damages to the retaining wall, landscape and concrete trickle channel. Jim is drafting a release which we will have the developer execute before releasing the funds

Solve I/I Issue

QPS finished TVing and Jetting today. Other than a section of pipe that appeared to be out of round, they did not note any items of significance. QPS will be sending the video to RG for their review.

Compark/Lincoln Park

4th Amendment to the RFA was executed and delivered to Compark for signature on July 3rd.

Water Resources Report

A Water Resources Report was presented by Pat Mulhern.

Adjournment

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

Respectfully submitted,

Secretary for the Meeting