

DRAFT

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
STONEGATE VILLAGE METROPOLITAN DISTRICT
HELD
June 18, 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
Jon Rich
Norman Shaw
Mike Sjobakken

Director Jackson was absent and excused

Also in attendance were:

Pat Mulhern, Mitch Chambers and Niki Bussey; Mulhern MRE, Inc.
Jim Hunsaker; Grimshaw & Haring, P.C.
Diane Wheeler; Simmons and Wheeler, P.C.
Terry Cunningham, TC Consulting Services
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 May 21, 2008 meeting. Upon motion made by Director Shaw, seconded by Director Sjobakken and, upon vote, unanimously carried, the minutes were approved.

Disclosure of
Potential Conflicts
of Interest:

Directors Connelly, Rich, Shaw 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 May claims.

Review of Financial Statements

Ms. Wheeler reviewed the May Financials with the Board. It was noted that the sewer billing has been consistently under what was billed for the same time periods last year. It was also noted that the water billing for the month of May 2008 was significantly lower than what was billed for May 2007.

Legal Matters

Mr. Hunsaker gave a legal update.

Southwest Water Contract Mr. Hunsaker has presented the Southwest Water Company contract to the Board of Directors for review. Director Connelly made a motion to approve the Southwest Water Company contract pending comments from President Sjobakken. Director Rich seconded the motion and, upon vote, it was unanimously approved.

Reuter-Hess Agreement

Mr. Hunsaker previously distributed CD-ROM copies of the proposed Reuter-Hess Agreement and supporting documents for Board review. Director Sjobakken made a motion to approve the Reuter-Hess Agreement. Director Rich seconded the motion and, upon vote, it was unanimously approved.

Effluent Control

Valves:

Director Rich made a motion to ratify the repair of the Effluent Control Valves by Equinox Pump and Controls LLC in the amount of \$510.. Director Connelly seconded the motion and, upon vote, it was unanimously approved.

Electrical for Poly Pumps and Controls

Director Rich made a motion to ratify the repair of the electrical for the poly pumps and mixers by Cross Diamond Electric, Inc. in the amount of \$4,685.00. Director Connelly seconded the motion and, upon vote, it was unanimously approved.

Concrete Coring

Director Rich made a motion to approve the Proposal from DeAndrea for concrete coring at the Wastewater Treatment Plant in the amount of \$2,800. Director Connelly seconded the motion and, upon vote, it was unanimously approved. Director Rich also made a motion to approve a pump rental for the concrete coring project in the amount of \$1,600.00. Director Connelly seconded the motion and, upon vote, it was unanimously approved.

Lab Equipment Director Rich made a motion to approve the purchase of lab equipment from Hach in the amount of \$4,600 for phosphorous and COD testing. Director Connelly seconded the motion and, upon vote, it was unanimously approved.

TV and Jetting Director Rich made a motion approve TVing and cleaning the sanitary sewer on Market Place by Quality Pipe Services, Inc. in the amount of \$8,639.00. This does not include any dump fees that may be applicable. Director Connelly seconded the motion and, upon vote, it was unanimously approved.

Disinfection: Director Rich made a motion to approve parts and labor for installation of disinfection equipment by Renegade Systems in the amount of \$2,500. Director Connelly seconded the motion and, upon vote, it was unanimously approved. Director Rich made a motion to approve Project Management by Southwest Water Company for the installation of Disinfection equipment in the amount of \$1,400.00. Director Connelly seconded the motion and, upon vote, it was unanimously approved. Director Rich made a motion to approve the purchase of Sodium Hypochlorite at IPS for disinfection from Tank Equipment, Inc. in the amount of \$6,695.24. Director Connelly seconded the motion and, upon vote, it was unanimously approved. Director Rich made a motion to purchase miscellaneous parts needed for the disinfection process in the amount of \$1,430.00. Director Rich seconded the motion and, upon vote, it was unanimously approved.

Poly Feed Director Rich made a motion to approve parts and labor for the poly pump installation by Renegade Systems in the amount of \$6,500.00. Director Connelly seconded the motion and, upon vote, it was unanimously approved. Director Rich also made a motion to approve Project Management by Southwest Water Company for the poly pump installation in the amount of \$1,350.00. Director Connelly seconded the motion and, upon vote, it was unanimously approved.

Motor Contactors Director Rich made to purchase new motor contactors and troubleshoot pump no. 3 by Equinox Pump and Controls, LC in the amount of \$2,143.99. Director Connelly seconded the motion and, upon vote, it was unanimously approved.

Filter 3 and 4
Rebuild Control
Valve Director Rich made a motion to purchase parts and labor to rebuild Filters number 3 and 4 control valves from Equinox Pump and Controls, LLC in the amount of \$1,327.29. Director Connelly seconded the motion and, upon vote, it was unanimously approved.

Filter 1 and 2
Rebuild Control
Valve

Director Rich made a motion to purchase parts and labor to rebuild Filter numbers 1 and 2 control valves from Equinox Pump and Controls, LLC in the amount of \$1,992.55. Director Connelly seconded the motion and, upon vote, it was unanimously approved.

Water Main Line
Break

Director Rich made a motion to approve storm sewer cleaning by Quality Pipe Services, Inc. in the amount of \$3,262.50. This cleaning is related to the water main break that occurred on April 23, 2008. Director Connelly seconded the motion and, upon vote, it was unanimously approved.

NOV/CDO

Director Rich made a motion to ratify the contracts with Lillian Gonzalez, ERM for pretreatment in the amount of \$34,000.00 and Richard P. Arber Associates to complete the DPE and CCP in the amount of \$24,000.00. These contracts are required for the NOV/CDO Amendment. Director Connelly seconded the motion and, upon vote, it was unanimously approved.

Pump #1 Check
Valve

Director Rich made a motion to approve the purchase of parts and labor to replace a 10" check valve at Pump #1 from Equinox Pump and Controls, LLC in the amount of \$3,927.77. Director Connelly seconded the motion and, upon vote, it was unanimously approved.

Tennis Courts
Surface Repair

Director Rich made a motion to approve the repair of peeling surfaces at the tennis courts by Coatings, Inc. in the amount of \$1,950.00. Director Connelly seconded the motion and, upon vote, it was unanimously approved.

Landscape Rock
Walls Repair

Director Rich made a motion to approve the repair of landscape rock walls throughout the community by Rock Doctors in the amount of \$6,000.00. Director Connelly seconded the motion and, upon vote, it was unanimously approved.

Repair of
Monument Signs

Director Rich made a motion to approve the repair of 17 monument signs throughout the community by Sign Design. Director Connelly 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

The plant is now in full compliance given that we are discharging to the reservoir. Currently, phosphorous is approximately 0.07 mg/l as compared to the permit requirement of 0.25 mg/l for discharges to the reservoir. We need to reduce the phosphorous to 0.05 mg/l to discharge to Cherry Creek without a violation.

In an effort to meet the permit requirements for discharging to Cherry Creek, polymer pumps and mixing chambers have been installed. Unfortunately the process of dosing with polymer has been more difficult than hoped. Filter No. 4 at the AWT has been backwashing every 2 hours which is significantly more than normal. Randy Jones and Terry Cunningham have been troubleshooting and determined that the filter was fouled with "mud balls". The filter was cleaned this week, but now has a faulty valve control. This should be repaired this week. We will continue to fine tuning the controls and chemical doses on Filter No. 4 before moving on to the other three filters.

Other items we are currently working on include the CPE, CCP, clarifier modifications, permanent foam handling, reducing the number of outside lab tests and laboratory training for onsite total phosphorous testing.

Terry Cunningham has completed his estimate of the total phosphorous that we expect will be discharged to Cherry Creek in 2008. Terry estimates that total phosphorous discharge Cherry Creek will total approximately 274 pounds which exceed the annual allowable of 161 pounds by approximately 113 pounds.

Community Center/Pool Expansion

The following conclusions have been drawn from the meetings related to the Community Center/Pool expansion:

New buildings in the pool area are needed due to poor drainage and moisture issues. The existing community center will be renovated.

It is important to provide pool play areas for the different ages and abilities, while keeping them easily visible for supervision.

Centrally locate the pool restroom and facilities. The facilities include family restrooms, showers, enlarged changing areas, as well as gender specific restrooms.

More outdoor covered/shaded areas are needed.

It is important to provide a cohesive style for the buildings and shade structures and to update the appearance of the whole facility.

More grass area within the fence is needed.

Rough cost estimates will be presented at the next meeting.

Permanent Sodium Hypochlorite Facilities

Arber has completed the predesign report for the permanent sodium hypochlorite facilities. A copy of the reports (WWTP and WTP) will be provided at the Board meeting. In general, the best options include installation of a 2000 gallon sodium hypochlorite upright tank at the WWTP and two 1000 gallon horizontal tanks at the WTP. The use of horizontal tanks at the WTP minimizes the visual impact of the installation and hopefully streamlines the County approval process. The estimated cost is approximately \$44,000 at the WWTP and \$100,000 for the WTP.

Parker Fire Issues

Mr. Chambers has reviewed the documentation provided by Southwest Water and have informed Randy Jones that he believes that Southwest should reimburse the District in the amount of \$10,000 for their share of the \$40,000 fine. Randy has agreed to discuss this with Southwest's upper management. Randy will try to resolve this issue prior to the Board meeting.

WTP

The WTP is operating all six filters. The addition of speed controlled isolation valves and repairs to the OCV valve resulted in no water hammers during the backwash cycle on filters 5 and 6. The plant is still experiencing water hammers with filters 1 thru 4

We have received cost proposals of approximately \$22,000 to repair the damage to the adjacent properties from the mainline break in April. Roger Mason and Mitch Chambers have reviewed the information and have some questions which, they believe, should reduce the cost. The cleaning of the storm sewer per the direction of the Town of Parker has been completed.

Fence Project

Scott Barnett has reviewed Ozark's work on the punch list and is satisfied that the work has been completed. Included in the claims is the final

invoice in the amount \$17,802 for painting the inside of the split rail fences. We will advertise for the release of retainage and make payment of \$33,533 at the July meeting.

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