

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE STONEGATE VILLAGE METROPOLITAN DISTRICT HELD FEBRUARY 20, 2019

A regular meeting of the Board of Directors of the Stonegate Village Metropolitan District was held on Wednesday February 20th, 2019 at 10326 Stonegate Parkway in Parker, Colorado at 5:30 p.m.

ATTENDANCE: Present were Directors:
Greg Sanford Eric Jensen Channing Odell – late arrival excused
Lisa Hyvonen Lori White

Also in attendance: Tom George; Spencer Fane LLP.
Sarah Sjobakken; District Manager
Ger Whelan; Colorado Water Systems
Charles Wenger; Landscape Operations
Bill Goetz; TST Infrastructure
Scott Barnett; Mulhern Engineering
John Segelke; re: Newlin Crossing
Rachelle Huston; resident
Ethan Rasmussen; resident

CALL TO ORDER: Director Sanford called the meeting to order at 5:32 p.m.

**DISCLOSURE
OF POTENTIAL
CONFLICTS OF
INTEREST:** Directors Sanford, Hyvonen, White and Jensen declared that they had no conflicts of interest.

**APPROVAL
OF AGENDA:** Director Sanford moved that the agenda be revised to move Agenda Items H and I - Old Business and Financial Items, after Agenda Item 4 – Public Comment. Upon motion duly made, seconded by Director Hyvonen, and unanimously carried, the agenda was approved.

**PUBLIC
COMMENT:** John Segelke, representing Newlin Crossing was present to address the Board regarding the development. He reviewed the current land and development numbers – approx. 100 acres of which 14 ½ acres for commercial use; approx. 450 dwelling units which are a mix of single family homes, duplexes and townhomes. (300 sfe's). They will be coming to the Board with a request for a revision to the agreement or a new agreement for 150 additional sfe's.

RECORD OF PROCEEDINGS

OLD BUSINESS:

2019 SVMD Tennis Program: Director Sanford gave a history of the previous requested tennis programs to current Board members. Discussion ensued regarding how a program would be facilitated, court usage, types of activities, etc. There was further general discussion on 2 proposals that have been received to the District – from Ryan Freeman and Ryan Weaver. Director Hyvonen made a motion to approve a Stonegate Tennis Program for the 2019 season utilizing the services of Ryan Freeman. Director Sanford abstained from the vote due to a history of personal business with Ryan Weaver. Upon a second by Director Jensen and vote taken, the motion passed.

Rate Increase: General discussion was held on current water rates and financial impacts. No action was taken on water rates.

2019 Tap Fee Increase: General discussion was held on current tap fee rates. They were last increased in 2015. Bill Goetz from TST infrastructure provided the Board with comparable district's rates. Director Sanford made a motion to increase the SVMD tap fees 15%. Upon a second by Director Jensen and vote taken, the motion carried unanimously. Effective March 1, 2019.

FINANCIAL ITEMS:

Monthly Claims for Payment: The claims were presented for payment dated January 31, 2019. Director Hyvonen moved that the Board approve the claims for payment as presented. Upon second by Director White, a vote was taken, and motion carried unanimously.

Financial Statements: The January 2019 financials were presented to the Board for review. Director Sanford made a motion to accept the January 2019 financials. Director White seconded the motion and, upon vote, they were unanimously approved.

DISTRICT REPORTS:

Community Center Report: A financial snapshot of revenues and expenses for the community center was included in the Board Packet. It showed an operating loss of approx. \$3000 for 2018. There was discussion on the current rental rates, number of rentals, types of rentals, rental rates of nearby community rooms and monthly and yearly expenses. After review, it was decided to increase the rates on the non-profit rentals to help offset the inspector fees and wear and tear on the room.

Parks/Rec and Landscape: Charlie Wenger reviewed current parks, rec. and landscaping happenings. In addition to day-to-day operations, he highlighted that a backflow is being installed for the pool, repair of the handicap bench in the changing room needs to be completed, cottonwood trees in the effluent pond are going to be removed, and tennis court maintenance is being finalized. Discussion

RECORD OF PROCEEDINGS

regarding a parks and rec. fee increase was initiated. Manager Sjobakken provided the Board with a comparison report of nearby similar neighborhoods and their rates. There was further discussion on SVMD parks and rec. infrastructure of pools, tennis courts, trees, irrigation, landscaping, etc., and our operating costs and the need to be able to maintain the grounds at the level residents expect. Tennis court maintenance for 2019 was addressed. Current proposal for re-surfacing courts 3 & 4 has come in at \$46,876.00, which is up 57% from 2015. Staff will try and obtain more proposals. Director Hyvonen moved that the Board approve a Parks and Rec. increase from \$35.00/month to \$43.50/month. Upon second by Director Jensen and vote taken, the motion passed unanimously. Effective June 1, 2019.

District Management Report: Manager Sjobakken included a monthly report in the Board packet. After review by the Board, there were no additional questions.

Mulhern Engineering Report: Scott Barnett addressed the Board and gave updates on District sewer repairs which will begin this spring; the Richmond home development in LPMD; Compark development; and District engineering.

TST Engineering Report: Bill Goetz addressed the Board and gave updates on infrastructure repairs. With regards to recent discolored water in the system, he and his staff have submitted to the CDPHE, a Demonstration Scale Application for Stonegate Village Metropolitan District to complete testing of pH adjustment as well as potentially test a corrosion inhibitor. This will allow SVMD to make adjustments to the ph of the water. In addition, sampling throughout the District is ongoing and continuous by CWS. Mr. Goetz recommends moving forward with a water treatment plant evaluation. In order to know what SVMD needs years from now, we need an evaluation on current infrastructure – including a long-term solution for chemical additions and sludge collection.

Operations: Ger Whelan was present to address the Board regarding CWS operations. KA-20 and TDW-5 are currently out being assessed. KA-18 needs to be pulled again as the pump failed again.

Water Resource Planning: Manager Sjobakken updated the Board on conversations with the WISE authority regarding the desire to lease out 500 af of the WISE water for a determined amount of time, for example 3 years with a year to year lease after that.

Capital Projects: The Challenger Lift Station project has begun. The Headworks re-design is in process by TST Infrastructure, with status meetings with CWS and the District.

RECORD OF PROCEEDINGS

**APPROVAL OF
PAST MEETING
MINUTES:**

Director Sanford moved that the meeting minutes from the special meeting held January 16th, 2019 and February 5th, 2019. Upon motion duly made, seconded by Director Hyvonen, and unanimously carried, the minutes were approved.

**ATTORNEY'S
ITEMS:**

None.

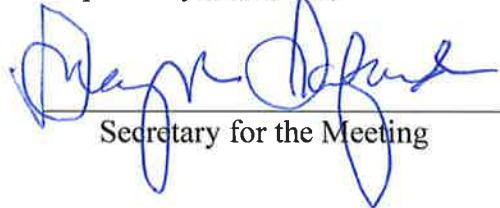
**EXECUTIVE
SESSION:**

None.

ADJOURNMENT:

There being no further business for the Board's consideration, Director Sanford moved that the Board adjourn the meeting at 9:16 p.m. Upon second by Director Hyvonen, a vote was taken, and motion carried unanimously.

Respectfully submitted,



Secretary for the Meeting