

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE STONEGATE VILLAGE METROPOLITAN DISTRICT Held November 16, 2016

A regular meeting of the Board of Directors of the Stonegate Village Metropolitan District was held on Wednesday, November 16, 2016, at the Stonegate Community Center, 10252 Stonegate Parkway in Parker, Colorado at 5:30 p.m.

ATTENDANCE: Present were Directors:
Greg Sanford
Lisa Hyvonen
Steve Olson

Also in attendance were:
Matthew R. Dalton, Esq.; Spencer Fane
Bill Goetz, P.E., TST Engineering
Ron Lambert, P.E., Mulhern MRE
Christopher Sanchez, P.G., Bishop-Brogden Associates
Tim Crawford, P.G., Bishop-Brogden Associates
Ger Whelan, Colorado Water Systmes (CWS)
Charles Wenger; Colorado Landscape Services & Facilities Manager
Steve Williams, iSpark Communications
John Simmons, CPA; Simmons & Wheeler; P.C.
Sarah Sjobakken, SVMD Office/Billing Manager
Sean Chambers, SVMD General Manager
Joel Miller – SVMD Resident

CALL TO ORDER: The meeting was called to order at 5:33 p.m. by Board President Hyvonen. It was noted that Directors Husbands and Sanner advised the Board in advance of the absences and they are excused.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST: Directors Sanford, Olson and Hyvonen declared that they have no conflicts of interest and District General Counsel stated that the required disclosure statements have been filed.

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APPROVAL OF AGENDA:

Director Olson moved that the agenda be approved as written. Upon motion duly made, seconded by Director Sanford, and unanimously carried, the agenda was approved as amended.

PUBLIC COMMENT:

Director Hyvonen opened the floor for public comment(s):

Mr. Joel Miller, Stonegate Resident requested info and feedback on who the proper jurisdiction is to engage on the subject of a noise wall along Lincoln. Mr. Miller stated that his back yard is adjacent to the Lincoln right of way and that the traffic noise is greater than you would think and a nuisance.

The District's Board and General Manager suggested he contact Douglas County's engineering division and get connected with the widening feasibility study planned for 2017 for that stretch of Lincoln so he can provide the County with his comments and feedback.

NEW BUSINESS:

Consent Agenda:

Minutes:

Review and approval of the October 19, 2016 Minutes

A motion was made by Director Olson to approve the consent agenda minutes as submitted. Upon a second by Director Sanford, a vote was taken and the motion carried.

ENGINEERING AND CONSULTANT REPORTS:

Bishop Brogden and Associates:

Mr. Tim Crawford P.G. and Mr. Chris Sanchez, P.G. were both in attendance to update the Board on the District's groundwater rights use accounting, the outcome of recent water court stipulation regarding some District Pre-213 water rights that now have more flexibility in use, alternate points of diversion, and banking provisions available for portions of the rights that will allow the District to better maximize its valuable groundwater assets and store over or bank what cannot be used in a given year depending upon precipitation and customer demands. Tim and Chris also reviewed the recommended maintenance requirements for the District's Denver Basin wells and took questions from the Board of Directions. Mr. Chambers noted the need to engage Bishop Brogden staff

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in a Aquifer Storage and Recovery (ASR) feasibility study in 2017 to look at how to most cost effectively store excess renewable water treated water from the WISE project in future years.

TST Engineering Activity and WISE Project Update Report – Mr. Goetz

Mr. Goetz of TST Infrastructure reported on their ongoing engineering work in support of the Newlin Crossing subdivision inclusion, Compark Regional Facilities Agreement (RFA), WISE Interconnection Pipeline project management, CORA related billing data research and compilation, GIS updates, and WISE Operations plan review. The Board asked Bill about other area water providers, water loss and operation of WISE facilities and their SCADA. Mr. Goetz noted that District data shows an unmetered water loss factor of between 11% and 16% over the past five years, which is a bit higher than average and should be looked at more closely.

Mulhern MRE Activity and Development Review Report – Mr. Ron Lambert

Mr. Lambert discussed the work they have been doing to review the utility layout and planning for Newland Communities and the Compark South/Belford subdivisions.; which are part of Stonegate Village Metro's service area under the Lincoln Park IGA and Regional Facilities Agreement with Compark. Ron made mention of their work on the Rules and Regulations, a scope of work that is overdue and needs time allocated in 2017. He suggested a future workshop on the rules to get Board feedback.

2016 BUDET **AMENDMENT** **PUBLIC** **HEARING**

Public Hearing Regarding the Amendment of the 2016 Budget

Mr. Simmons introduced the need to amend the 2016 budget and detailed the changes for the Board and public.

Director Hyvonen opened the public hearing on the revised 2016 budget and requested public comments. No comments were received or stated.

Director Hyvonen thereafter closed the public hearing noting that no public comment was received.

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2017 BUDGET PUBLIC HEARING

A motion was made by Director Sanford to approve the Resolution to Amend 2016 Budget as Revised and Amended and presented by Mr. Simmons. Upon a second by Director Olson a vote was taken and the motion carried unanimously.

Public Hearing Regarding the 2017 Budget as Proposed:

Mr. Simmons presented the 2017 Budget, noting the process of working with staff and directors to develop the 2017 budget. Mr. Simmons stated that the District's General fund continues to be financially tight, and limited by TABOR and lower than market recreation fees; the General Fund collects and finances the District's landscape maintenance tasks, park and recreation facilities and general administrative overhead. Mr. Simmons also observed that the District would deplete the remaining General Capital Fund by transfer to the General Fund in 2017 budget year to pay for ongoing tree and fence improvements.

Director Hyvonen opened the public hearing regarding the 2017 budget. Mr. Steve Williams, Stonegate resident commented on landscape needs, funding for the general fund, and District operations.

Director Hyvonen closed the public hearing and asked if there were additional Board comments regarding the proposed budget. Dir. Olson thanked Mr. Simmons and staff for working together to sharpen the pencil and produce a sound budget, and thereafter made motion for adoption and approval.

A motion was made by Director Olson to approve the Resolution to adopt the 2017 Budget, Appropriate sums of money and authorize the certification of the tax levy for Stonegate Village Metro District. Upon a second by Director Sanford a vote was taken and the motion carried unanimously.

STAFF REPORTS:

Manager's Report:

Mr. Chambers presented the written Manager's Report and further commented on the following items:

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STAFF REPORTS:

Mr. Chambers discussed the need for a water rights fling on the Lawn Irrigation Return Flows (LIRFs), which can be accounted for and used as a source of augmentation for new diversions, thus extending the reuse and efficiency of District water rights. Noting that Bishop Brogden and water counsel would be meeting with management in December to develop the scope for a LIRF case in 2017.

Mr. Chambers noted that the development of year-round indirect potable reuse infrastructure and the associated IGA with Parker W&S that needs Board approval in the 1st quarter of 2017. Therewith the District has budgeted to do some limited but focused conversion of irrigated common area turf grass to xeric plants and water wise landscapes that will put more of the reuse water into Reuter-Hess Reservoir and less out on turf grass in obscure corners of common areas where it costs the district with little benefit.

Mr. Chambers noted that his written report included further information on Compark South/Bellford development plan reviews, GIS data sharing with Parker, Cost of Service Rate Study work with Raftelis, WISE project infrastructure and operational costs, WISE 20" interconnect pipeline project, LPMD's CORA request for billing system data, Newlin Crossing Inclusion Amendment and Sewer Treatment Plant capacity analysis, and Public outreach communication through newsletter and Facebook posts.

Mr. Chambers reminded the Board on next steps with CAC, and following some question about applicant letters of interest, the Board requested more time to review and consider their process for appointing and organizing the CAC. Mr. Chambers noted that he would add the subject to the January 2017 Board meeting agenda.

Landscape & Facilities Maintenance Report:

Mr. Wenger Reported to the Board on the fall irrigation system blow out that was recently completed in coordination with Keesen. He reported that 83 new trees had been installed over the prior 45 days, some 2" diameter and others 3" diameter trunks, at an expense of approximately \$47,000. He noted the older large cottonwoods are mature and some are diseased. The Board requested more trees and landscape around the weather station above Stonegate Pkwy.

Mr. Wenger noted work rehabilitating the trash can enclosures and wooden benches along trails in filing 21. The snow removal agreement was

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discussed and the importance of terms that protect the Newlin Gulch trail bridges from truck plowing damage were noted. And new benches near bridges were also noted.

Water & Wastewater Operations Report – Ger Whelan of Colorado Water Systems

Mr. Whelan noted discussed with the Board increase of the construction water use that has been driving the recommendations that CWS has for updating the CDPHE Regulation 84 reuse plan to add other re-use including fire mitigation and construction uses. A written report and graphs were included in the Board packet.

Customer Service, Billing and Operations Report by Ms. Sjobakken:

Ms. Sjobakken reported on ongoing billing, collections, accounts payable, and customer service scope of work being performed by her team. She noted the success in collecting on many overdue accounts, the identification of zero consumption meters and getting a list compiled for CWS to visit, inspect and replace if necessary.

She continues investigating a multi-function copier, scanner and fax machine lease for a business class copier that would have collation, staple and email functionality appropriate for our level of use. Additional Adobe Pro is likely needed for one or two of the office computers to do high level functions such as compress large pdf files. The HP laser jet copier has connection issues, and its being overworked, does not copy and collate effectively for large documents, and cannot do our bill printing or newsletter printing, which could be possibly brought in-house with an upgraded multi-function machine.

Ms. Sjobakken reported on the need to increase late fees and some reservation fees and policy, and she and Mr. Chambers will develop a set of proposed changes to fees and bring it back to the Board.

FINANCIAL ITEMS:

Claims for Payment:

Mr. Simmons reviewed the claims (2 sets) for October 2016 and presented them to the Board for payment.

Director Sanford moved that the Board approve the claims for payment as presented. Upon second by Director Olson, vote was taken and motion carried unanimously.

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Financial Statements:

Mr. Simmons reviewed the highlights sheet for October 31, 2016 Financials, he noted that the operations mill levy funding the General Fund only produces approximately \$60,000 annually, which is light given the landscape, irrigation fencing, and tree/turf needs and budget of the District. Director Hyvonen asked questions on the Colo Trust investment account, and Mr. Simmons noted that the District was earning 82 basis points on its money.

Director Sanford moved that the Board approve and accept the October 31 Financials as presented. Upon second by Director Olson, vote was taken and motion carried unanimously.

OLD BUSINESS:

Director Hyvonen reviewed the remaining agenda and suggested that all the items under Old Business had been adequately discussed during the engineering, management, or legal reports, and therefore there was no need for further discussion at this point in the agenda. Directors Sanford agreed as did Staff and the Board moved onto the Legal Report.

ATTORNEY'S ITEMS:

Attorney Report:

Mr. Dalton noted that he was monitoring the 457(b) plan discussions, working contractual matters for the Board, and asked if there were questions regarding the proposed Resolution of the Board of Directors Concerning Annual Administrative Matters for 2017. Following a brief discussion of the resolution, it was noted that Director Sanford would become the Board's president for 2017 and then a motion for approval was made.

Director Olson moved that the Board adopt and approve Resolution of the Board of Directors Stonegate Village Metro District Concerning Annual Administrative Matters for 2017. Upon second by Director Hyvonen, a vote was taken and motion carried unanimously.

ADJOURNMENT:

There being no further business for the Board's consideration, Director Olson moved that the Board adjourn the meeting at 7:54 p.m. Upon second by Director Sanford, a vote was taken and motion carried unanimously.

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Signed at the Direction of the Board

By: _____

Director: _____

Respectfully prepared and submitted,

Sean P. Chambers

By Sean Chambers

General Manager, Secretary to the Board