

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE STONEGATE VILLAGE METROPOLITAN DISTRICT HELD SEPTEMBER 21, 2016

A regular meeting of the Board of Directors of the Stonegate Village Metropolitan District was held on Wednesday, September 21, 2016, at the Stonegate Community Center, 10252 Stonegate Parkway in Parker, Colorado at 5:30 p.m.

ATTENDANCE:

Present were Directors:

Lisa Hyvonen
Greg Sanford
Steve Olson
Mary Sanner

Also in attendance were:

Matthew R. Dalton, Esq.; Spencer Fane
John Simmons, CPA; Simmons & Wheeler; P.C.
Adam Mouchak, P.E. TST Engineering
Ron Lambert, P.E., Mulhern MRE
Steve Williams, iSpark Communications
Sean Chambers, SVMD General Manager
Sarah Sjobakken, SVMD Office/Billing Manager
Charles Wenger; Landscape Services & Facilities Manager
Cory Rutz, - Newlin Crossing
Beorn Courtney, P.E.; Element Water – Newlin Crossing
John Segelke – Segelke Real Estate / Newlin Crossing

**CALL TO
ORDER:**

The meeting was called to order at 5:35 p.m. by Director Hyvonen.

**DISCLOSURE OF
POTENTIAL
CONFLICTS OF
INTEREST:**

Directors Hyvonen, Sanford, Sanner and Olson declared that they have no conflicts of interest and District General Counsel stated that the required disclosure statements have been filed.

**APPROVAL OF
AGENDA:**

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

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PUBLIC COMMENT:

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

Hearing no interest from the general public, public comments was closed.

PUBLIC HEARING ON REVISED BUDET

Director Sanford moved that the Board open the public hearing on revised budget. Upon motion duly made, seconded by Director Hyvonen, a vote was taken and the motion carried unanimously.

District CPA Mr. Simmons advised the Board and general public on the need for the budget revisions and their role in the audited financial.

Public Hearling was opened at 5:37 p.m. and Director Hyvonen opened the floor and invited public comments or questions on the revised budget numbers.

Hearing no interest from the general public, public comments and the public hearing was closed.

Director Olson made a motion to approve amendment of the budget and debt service fund as presented by Mr. Simmons. Upon motion duly made, second by Director Sanner, a vote was taken and the motion carried unanimously.

NEW BUSINESS:

Consent Agenda:

Minutes: Review and approval of the August 17, 2016 minutes

Director Olsen noted that the Minutes have a page 5 typo error in the Million Gallons and also noted that he was not present prior meeting.

A motion was made by Director Olson to approve the consent agenda minutes with the edits suggested by Director Olsen. Upon a second by Director Sanford, a vote was taken and the motion carried unanimously.

Agreements: Review and consideration of the Winter 2016 Snow Removal Agreement presented by Keesen Landscaping

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The snow removal budget balance was noted by Mr. Simmons and the Directors discussed the need for the agreement and while the price has gone down, the agreement as drafted has a requirement that an ongoing landscaping services agreement be in place concurrent to the snow removal agreement. Mr. Dalton was tasked with reviewing that language and the continuity of scope of work with the prior year's agreement.

Director Olson made a motion to approve the winter 2016-2017 snow removal agreement with Keesen contingent upon revisions of scope and terms by District legal counsel. Upon motion duly made, second by Director Sanner, a vote was taken and the motion carried unanimously

INCLUSION HEARING

Representatives of the Newlin Crossing development and Segelke Real Estate were present to discuss with the Board their inclusion petition, changes to the Development plan at the request of Town of Parker who will have certain municipal services and land use jurisdiction over the project property located southwest of the current Stonegate Village.

Public Hearing:

Director Hyvonen opened the Inclusion Hearing for Public Comment at 6:18 p.m.

Segelke Real Estate representatives presented information regarding the changes to the Development Plan (DP) that were requested by Douglas County and the Town of Parker's Planning Department. The site, while contiguous to Stonegate Village's south boundary is located in the Town of Parker and there is a mandate for specific types of commercial at the Chambers and Main intersection and then townhomes adjacent to the commercial and single family homes towards the interior with a total of approximately 450 density units which must fall under the District's allocation of 300 Single Family Equivalent capacity unity for water and wastewater services along with required off site upgrades to the municipal collection and distribution and treatment facilities.

Hear no further comments from the public or project proponent, Director Hyvonen closed the public hearing at 6:54 p.m.

Mr. Dalton discussed the inclusion agreement as amended further with the Board of Directors and recommended that upon further review and confirmation of the engineering calculation fitting the 300 SFE limits, that the Board could approve

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the Inclusion Agreement subject to the documentation and approval by District engineers and Infrastructure consultants at TST affirming that there are appropriate plans and controls in place to limit the projects revised DP water and WW demands to that of 300 SFEs originally approved by the Board in 2014.

Upon further discussion Director Sanner made a motion to approve the amended inclusion agreement subject to the requirements and satisfaction of the conditions outlined by Mr. Dalton. Upon motion duly made, seconded by Director Olson, a vote was taken and the motion carried unanimously.

ENGINEERING & CONSULTANT REPORTS:

Mr. Adam Monchak, PE with TST Infrastructure gave a report on TST Engineering project, and specifically discussed the WISE (Water Infrastructure Supply Efficiency) interconnection pipeline that is under construction from just north of E-470 to the District's Water Treatment Plan. Mr. Monchak noted that tunneling was in progress under E-470 and that the tie into the existing East West WISE-ECCV line would be in later October or possibly early November depending on the schedule for ACCWA and ECCV to allow a shut down and drain of the east west line.

Mr. Chambers noted that the District is required under the WISE Agreements to take or pay for 200 AF of renewable water in the 2017 ramp up year 1 of the WISE project and while that water is expensive, it starts a transition to conjunctive use of groundwater and surface water that will assure the District and its rate payers of water supply secure future.

Ron Lamber, PE from Mulhern MRE reported on District Engineering matter noting the final inspection on Parker Performing Arts School in the Compark Service Area, CDPHE Stormwater Control Plan Compliance, District Rules and Regulation updates that need to be completed 2016 into 2017, MS4 Stormwater permitting, development review going on in Comp Park South,

STAFF REPORTS:

Manager's Report:

Mr. Chambers presented the manager's report along with some additional items for Board information and consideration.

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Mr. Chambers noted the ongoing rate study work with Raftelis Financial Consultations to develop a cost of service rate review and recommendations for the water & wastewater enterprise rates and for the new connection tap fee structure.

Mr. Chambers reminded the Board that preliminary work on the 2017 budget would need their review, preferably at a special workshop meeting in early October. At the Direction of the Board, a 10/10 Special worksession for the purpose of reviewing the preliminary budget with staff and accounting and for a review of the ten-year capital improvement plan and associated Draft Infrastructure Master Plan that needs further Board review and approval.

Mr. Chambers noted the public outreach efforts that staff has added via billing newsletter and Facebook to keep in touch with the District's different customer demographics. The Board noted that we might consider an artistic mural at the Jordan underpass and Mr. Chambers said he would find contact info for the Art Instructor at Chaparral and propose the idea.

Open space care and maintenance oversight was further discussed as was the need for more responsive irrigation checks and repairs for 2017 and that there is an opportunity to bring those services in house at cost savings and performance enhancement that will better care for the irrigation system.

Lastly, Mr. Chambers noted that well and pump overhaul maintenance was going to being in late October at the District's LFH-3 (Larimie Fox Hills formation) well as part of the annual well field rehabilitation and maintenance program. Further Mr. Chambers discussed the strategic planning need to add an Aquifer Storage and Recovery (ASR) feasibility study to the 2017 budget to allow Bishop Brogden to undertake a cursory water rights, hydrogeology, well production, and related parameters of interest in scoping how the District would add ASR storage capacity and infrastructure to its well fields in a programmatic and phased approach that would allow some onsite storage of excess WISE water when its available in future years.

Colorado Water Systems Report (In the Packet):

Mr. Chambers noted that CWS lead operators were at the Special District Association Conference and therefore there was only a written report from CWS. He further reported that CWS would be doing some corrosion control sampling in advance of the WISE water and Chloramine conversion so we could be sure to better manage water chemistry and corrosion capacity from soft water that is a

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result of the iron and manganese filtration. The Chloramines conversion is on track for an early to mid-October conversion, pending some ongoing programming of the chemical feed pumps and systems testing. If the water demands drop off too much there may exist a good argument for holding off the conversion till May '17. Mr. Ger Whelen, ORC, is available by phone or email for any questions.

Mulhern MRE District Engineering Report:

A written report was provided Ron Lambert discussed the Compark South development area, the increased workload, and Douglas County approvals that are not exactly consistent with SVMD Rules and Regs., which is yet another reason to complete the District's update to its Rules and Regulations that set forth guidance for development and site specific connection.

Landscape Operations:

Mr. Wenger updated the Board on the landscape maintenance, fence pointing, repair and maintenance, non-potable reuse pump station issues and the tree replacement plans. The Board reviewed the General Fund landscaping budget with Mr. Simons and Mr. Wenger and at their advice increase the budget allotted for tree and shrub replacement to \$60,000 to keep up with the many trees that have been removed this year.

FINANCIAL ITEMS:

Claims for Payment:

Mr. Simmons reviewed the claims presented for payment, including capital project Pay Application No.4 for WISE pipeline construction.

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

Financial Statements:

Mr. Simmons noted that cash went up, mostly as a result of staff's collection of many past due accounts in collection. water revenues remained up as expected for the end of the peak of the irrigation season.

Director Olson made a motion to approve the August 31, 2016 Financial Statements as Presented by Mr. Simmons. Upon Second by Director Hyvonen, a vote was taken and motion carried unanimously.

Mr. Simmons provided a copy of the Audited 2015 Financial which would be finalized with the budget revisions previously authorized by the Board.

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OLD BUSINESS:

Operations and Community Ctr. Reservations:

Mr. Chambers presented the draft letter to Citizens interested in CAC participation requesting a letter of interest and resume. The Board discussed and agreed that this was an appropriate step in selecting a committee of members who would remain engaged and committed to ongoing and ethical service. The CAC project scoping documents and code of conduct remain under development and will go before the Board for review.

ATTORNEY'S ITEMS:

Attorney Report:

The brief report on General Counsel's legal items was presented by Mr. Dalton.

BOARD UPDATES AND DISCUSSION:

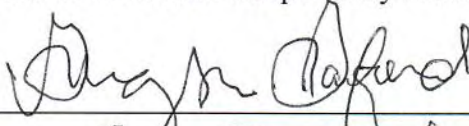
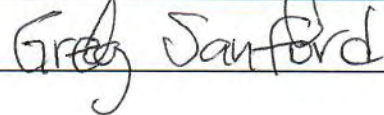
Mr. Chambers noted that he would set the 10/10 budget workshop, and send an MS Outlook invite as requested; and he noted that the Board had already discussed the Raftelis cost of service rate study.


Mr. Chambers noted the appreciation of Board support for expanding the communications platform into a billing newsletter and social media, and encouraged the Board to review the posts and Like the page.

ADJOURNMENT:

There being no further business for the Board's consideration, Director Hyvonen moved that the Board adjourn the meeting at 8:26 p.m. Upon second by Director Sanford, a vote was taken and motion carried unanimously.

STONEGATE VILLAGE METRO DISTRICT
Director of the Board Respectfully submitted,


By: 


Sean Chambers
Secretary for the Meeting; Submitted 10-14-16