

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

GVR METROPOLITAN DISTRICT

Held: Wednesday, July 20, 2011 at 6:30 P.M. at the GVR Metropolitan District Office, 18650 East 45th Avenue, Denver, Colorado.

Attendance

The regular meeting of the Board of Directors of the GVR Metropolitan District was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. Except where indicated, the following Directors, having confirmed their continued qualification to serve on the Board by affidavit filed with the District, were in attendance:

Michael George, President
Anthony Noble, Treasurer
Mary Schumer, Secretary
Michael Haskins, Director
Fenna Tanner, Director
Chuck Britton* Director

Absent: Earleen Brown (absence excused).

Also present were Andrew Pimental, District Manager, GVR Metropolitan District; Barbara T. Vander Wall, Seter & Vander Wall, P.C., legal counsel; Eric Gravenson and Jim Tanner, District residents; and Denver Police Officer Tony Bruce*.

[*Departed when indicated.]

Call to Order / Quorum

Chairman Michael George noted that a quorum of the Board existed with six directors present. Thereafter, Director George called the regular meeting of the Board of Directors of the GVR Metropolitan District to order.

Approval of Agenda

The Board reviewed the agenda, and by unanimous vote, the Board approved the agenda.

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Conflict of Interest/ Disclosure Matters

The Board had been previously advised that pursuant to Colorado law, certain disclosures by the Board members might be required prior to taking official action at the meeting. Legal counsel advised that written disclosures of the conflicts of interest for each Director (with the exception of Director Britton) had been filed with the Secretary of State prior to the meeting. Director Britton announced a potential conflict of interest involving his receipt of financial backing for claims to abolish membership fees, homeowner associations and metropolitan districts; no additional information was provided. The Board requested that Director Britton bring further information to the Board as may be necessary.

No additional conflict disclosures were announced.

Approval of Minutes

The minutes of the regular meeting of the Board of Directors held June 15, 2011, were read. Upon motion, second and unanimous vote, the Board approved the minutes with the correction as noted.

Public Comment Period: - CAB

There was no comment from the Citizen's Advisory Board.

- Denver Police Dept.

Denver Police Officer Tony Bruce provided crime statistics for the area to date. He also announced the "Brush Off Community Challenge" to take place on July 23rd and August 20th, designed to promote the removal of graffiti.

[*Officer Bruce departed at this time.]

- HOA

Andrew Pimental reported on behalf of the HOA that 6,068 letters have been sent out year to date identifying covenant violations. More ARC forms have been approved than ever before. He commended the HOA staff for their extraordinary efforts in customer service.

- Other

There were no other comments from the public at this time.

Attorney's Report

Ms. Vander Wall directed the Board members to her written legal report, which identifies outstanding items for the Board. She indicated that these items will be discussed as part of the agenda items. There was initial discussion on the proposed slope easement, which was then deferred for further discussion later in the meeting.

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Director Items

Director Britton inquired as to whether others were aware of new airport concept plans involving hotel development and terminal expansion, which will result in the doubling in size of the current airport. He expressed concern about the use of excessive amounts of airline fuel, as well as issues regarding fuel fumes and fuel dumping.

There were no other Director items presented.

Board Reports:

- June 2011 Financials

Director Anthony Noble presented to the Board the financial report for the District for the period ending June 30, 2011. Following discussion, and upon motion duly made, seconded and a vote of five in favor, one against (Director Britton), the Board accepted the June financials as presented.

- Claims Report

Mr. Noble next reviewed with the Board the revised listing of claims payable through July 20, 2011. He pointed out that since the report at the last meeting, the District has caught up in its tax collections and is on track in comparison to prior year's collections. After further conversation, and upon motion duly made, seconded and a vote of five in favor, one against (Director Britton), the Board approved the payment of claims as presented.

- District Manager Report

Mr. Pimental referred the Board members to his written monthly report, and reported on the highlights. Mr. Pimental also reported on the issue of stop signs and tree obstructions. The designated forester for the area is addressing this problem, and promoting a policy for adoption by Denver that allows homeowner-owned trees, which block a stop sign, to be removed by Denver and replaced with another tree to be planted elsewhere on the homeowner's property. The Board discussed that this has also become a big problem for the Lowry and Stapleton communities as well.

Mr. Pimental reported that the District has acted on the recommendation of the Planning Committee to paint the District monumentation. The project is now complete and the monument looks good.

Oakwood Homes is hosting a VIP event for the active adult community, to take place on July 29, 2011 at the golf club.

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Mr. Pimental followed up on the recent unemployment benefits hearing. The Board discussed the current procedures for unemployment hearings, and whether the Board desired to take on greater involvement in such hearings. Legal counsel reminded the Board of the delegation of authority to management for employment-related decisions, and of the legal liability associated with Board involvement. After further discussion, it was determined that no changes were desired at this time.

Discussion Items / Unfinished Business:

SOP

The Board reviewed the revised draft Standard Operating Policy Manual, presented for adoption. Ms. Vander Wall advised that following the discussion at the last meeting, the proposed manual now includes those policies previously adopted by certain Board resolutions. The new Manual, with the incorporated policies, will now supersede the impacted resolutions. Director Tanner inquired about a discrepancy in the policy regarding supplies and the preauthorization levels for expenditure of funds. Mr. Pimental clarified the policy and acknowledged the correction to be made. The Board also discussed whether to approve the increase in District Manager authorization of expenditures from \$1,000 to \$2,500, as proposed in the SOP Manual. After further discussion, the Board agreed to allow for the increase as proposed. Upon motion, second and vote of five in favor to one opposed (Director Britton), the Board approved the SOP Manual with the one correction as discussed.

Discussion re Bids Received for Entrance Walkway Project

The Board reviewed the three bids received for the front entrance walkway. The discrepancies in the bids were noted, including variances in square footage, and in the quoted psi specifications for the concrete. Following further discussion, upon a vote of five in favor and one against (Director Britton), the Board approved the bid presented by Old Ranch in the amount of \$9,268.20, subject to the confirmation of the appropriate square footage of concrete required, and performed at the psi specified by the concrete manufacturer, with a minimum one-year warranty.

Filings 33 and 28 Landscape Concept Plan

Mr. Pimental reminded the Board of direction provided at the June meeting to obtain information regarding water conservation opportunities which might be applied to the Filing 33 landscape

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project. Mr. Pimental and the District's landscape committee met with a representative from Carlson Water Management Inc. regarding options for development of the Filing 33 and Filing 28 landscaping along 38th Avenue, with a focus on water conservation. The recommendation from Carlson Water Management, which was strongly supported by the landscape committee, is to use a native cold season turf grass called Barcampsia in the first phase of the landscape development along 38th Avenue. Mr. Pimental referred the Board members to additional information in his July 14, 2011 memo on the topic.

The Board discussed the possibility of picking one or more small "walk through" areas to try some over-seeding as a pilot project, and then make a determination for larger areas. Additional discussion compared the benefits to the community of native xeric grasses, such as the Barcampsia option, to the standard groomed turf. Board members offered different opinions on the priority to increase property values based on the higher aesthetic appeal provided by the turf versus potential water savings achieved by more aggressive water management of common areas. Some Board members expressed concern over loss of competition in property sales with the use of xeric grasses; other Board members expressed a desire to focus on cost savings through water conservation efforts. There was additional concern over the risk of trying a new grass variety without experience in how well it will take and succeed in the District's landscaped areas. The Board concluded the discussion with a determination to visit one or more other areas where the Barcampsia turf has been successfully used. Mr. Pimental agreed to make arrangements for a Board member field trip for this purpose.

[Director Britton departed during this discussion.]

Contract with Apollo Credit
Agency for Collection
Services

The Board was reminded of the judgment obtained by the District in Small Claims Court for a claim against Rob Chavez / Chavez & Sons Concrete, in the amount of \$3,031.20. To date, the District has been unsuccessful in collecting any funds from Mr. Chavez, and collection options typically available to the District are not cost-effective, or otherwise not implementable in the particular context. Mr. Pimental presented a proposed agreement with Apollo Credit Agency to turn over the District's collection efforts to this company. The collection agency charges a rate of 33.3 – 50% of the amount collected.

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Following further discussion, and upon motion, second and unanimous vote, the Board approved the proposal subject to use of the District's standard form of contract for services.

Temporary Construction Easement to Aurora / MOI

The Board discussed the proposed temporary construction easement, and Memorandum of Intent presented for approval, being requested by the City of Aurora. Ms. Vander Wall pointed the Board members to the details provided in her legal report, and Mr. Pimental described the particular project for which the easement is needed. The easement lies over Tract A, Filing 43, in connection with certain ditch work being performed by the City of Aurora within the Bolling Tributary. The proposed form of easement includes an obligation for Aurora to restore the property to its original condition upon completion of the activities; the temporary easement will expire no later than March 31, 2013. In addition, the City prepared a "Memorandum of Intent" which includes the City's agreement to install approximately 35 1/2" caliper trees on the site, which would then be turned over to the District for irrigation and maintenance purposes.

The Board discussed the City's project, and the District's need to enhance the area with landscaping. There was further discussion regarding the water requirements for the tree maintenance, following completion of the project. Upon motion, second and vote of four in favor and one against (Director Haskins), the Board approved the temporary construction easement and the Memorandum of Intent regarding the tree installation and conveyance for ownership and maintenance.

Discussion Items / New

Business:

- Presentation of 2012 Budget Timeline

Mr. Pimental referred the Board members to the 2012 budget schedule included in the meeting materials. According to the schedule, the District will hold its public hearing on November 16, 2011 on the proposed 2012 budget. The Board's December meeting is scheduled for December 14, 2011. The Board may approve the budget on this date or following the hearing on November 16th.

- Request by The Bungalows Sub-association for Landscape Services

Mr. Pimental informed the Board that The Bungalows Sub-association has asked if the District would provide landscape services to their common areas through a contractual arrangement. The inquiry turned into a discussion of the option for the District to bring its landscaping operations in-house in

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2012. Mr. Pimental agreed to provide additional information to the Board at the next meeting on the proposal, including the possibility of incorporating snow removal operations as part of the in-house services.

Oakwood Homes Sign Proposal

The Board discussed a proposal from Oakwood Homes for approval to install a large Oakwood Homes marketing sign on District-owned common area. The District's current sign policy addresses small-sized signs, for short periods of time. The Oakwood proposal involves a sign that is 13.5 feet in height, and 32.5 feet in width, anticipated to be installed for a 4-5 year period of time. After further discussion, and upon motion, second and unanimous vote, the Oakwood Homes sign proposal was rejected.

Other Business

There was no other business for discussion at this time.

Adjournment

There being no further business to come before the Board, and upon motion duly made, seconded and unanimously carried, the meeting was adjourned at approximately 9:30 p.m.

Secretary for the Meeting

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