

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

GVR METROPOLITAN DISTRICT

Held: Wednesday, June 19, 2013, 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 in accordance with the statutes of the State of Colorado. The following Directors, having confirmed their qualifications to serve on the Board, were in attendance:

Mary Schumer, Secretary
Anthony Noble*, Treasurer
Michael Haskins, Director
Elaine Smith, Director
Roger Rohrer, Director

Absent: Michael George and Fenna Tanner (absences excused).

[*Arrived when indicated.]

Also present were Andrew Pimental, District Manager, GVR Metropolitan District; Barbara T. Vander Wall, Seter & Vander Wall, P.C., legal counsel; Charlie Foster, Town Center Metropolitan District; Eric Gravenson, Mariann Toomey, District residents; and Ray Russell*, Haynie & Co.

[*Departed where indicated.]

Call to Order

In the absence of Director George, Director Schumer served as Acting Chair, and noted that a quorum of the Board was present with four directors present. Thereafter, Director Schumer 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 upon motion, second and unanimous vote, the Board approved the agenda as presented.

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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 had been filed with the Secretary of State prior to the meeting.

No additional conflict disclosures were announced.

Approval of Minutes

The minutes of the regular meeting of the Board of Directors held May 15, 2013, were read. Upon motion, second, and unanimous vote, the Board approved the meeting minutes as presented.

Public Comment Period:

- Public Comment

There was no public comment provided at this time.

- Denver Police Dept.

There were no representatives present from the Denver Police Department.

[*Director Anthony Noble arrived at this time.]

- HOA

On behalf of the Master HOA, Ms. Mariann Toomey reported that the concrete has been poured for the detention pond project. She indicated that the pond will soon be ready for conveyance to the District.

- CAB

There were no items to report from the Citizens Advisory Board.

- Other

Mr. Pimental commented on behalf of the Far Northeast Optimist Club, noting that the club raised \$4,200 at the recently held golf tournament fund raiser.

There was no other public comment at this time.

Attorney's Report

Ms. Vander Wall directed the Board members to her written legal report included in the meeting materials. These items are expected to be discussed in detail later in the meeting.

Board Reports:
May Financials

Director Noble presented to the Board the District's financial report for the period ending May 31, 2013. Following discussion, and upon motion duly made, seconded and unanimous vote, the Board accepted the May financials as presented.

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Claims Report Director Noble next reviewed with the Board the listing of claims payable through current date. Upon motion duly made, seconded and unanimous vote, the Board approved the payment of claims as presented.

Presentation of 2012 Audit Mr. Ray Russell of Haynie & Co., presented the District's proposed audit for 2012 to the Board. Mr. Russell noted that the final audit report is expected to include a clean opinion, finding no deviations from GAAP, and that the financial statements presented throughout the year to the Board are fair and accurate. Mr. Russell pointed out changes to the 2012 audit report from the prior year resulting from the adoption of new accounting pronouncements, GASB 63 and GASB 65. GASB 63 affects the District's "deferred inflows of resources" which previously were referred to as deferred property taxes. GASB 65 is a reclassification of items previously reported as assets and liabilities. Mr. Russell thanked Mr. Pimental and Ms. Micaela Duffy for their work in preparation for the audit.

Following the review of the audit and follow-up discussion, and upon motion, second and unanimous vote, the Board accepted the 2012 audit, with the minor corrections noted. The Board thanked Mr. Russell for the presentation.

[*Mr. Russell departed at this time.]

District Manager's Report Mr. Pimental referred the Board members to his written monthly report and reported on the highlights. He circulated a copy of the draft annual report, which will be filed with the City and County of Denver pursuant to legal requirements. Mr. Pimental noted that the District's first annual Car Fest event was successful, having 70 cars registered for the event and an additional 30+ cars shown. The District had four sponsors for the event.

The District's new demonstration garden is approximately 75% complete. Seeds will be planted next week; the artificial turf will soon be installed.

There has been a rise in backflow preventer thefts, with eight District backflow preventers stolen year to date.

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Discussion Items / Old Business:

- Update to Standard Operating Policies

The Board took up the discussion of the proposed changes to the District's Standard Operating Policies. Ms. Vander Wall referred the Board members to her memo and legal analysis regarding the District's sign policy and First Amendment concerns which prompted proposed changes to the SOPs. The Board discussed the option to eliminate any and all signs on District-owned property, or alternatively to allow the signs with reasonable time, place and manner restrictions. Ms. Vander Wall provided proposed language for both options. The Board discussed the details of the negative issues associated with the installed signs, the difficulties associated with enforcement of the sign permit provisions balanced with the desire to provide opportunities to promote community education through the installation of signs on District property. Following further discussion, and upon motion, second and unanimous vote, the Board agreed to proceed with allowing the installation of signs and further agreed to the changes to the sign policy as presented. In addition, the Board directed staff to increase enforcement of sign removal requirements, per the provisions of the permit, over the weekends.

Next the Board initiated discussion of other revisions to the SOPs. The directors reviewed the approval requirements for general supplies and other operational expenses. The Board discussed the appropriate threshold amounts for District staff, District manager, and Board approvals. The Board also discussed the distinction between expenses related to general supplies and operational expenses versus vendor service amounts. Mr. Pimental noted that these are categories which are incorporated within the District's budget categories. The Board agreed to defer a determination on these issues pending further delineation of the expense categories from Ms. Duffy, and pending discussion which includes the absent directors.

The Board also agreed to defer the approval of the remainder of the SOP revisions to the July Board meeting.

- Update from Planning Committee re Strategic Development Plan

Director Noble reported on behalf of the District planning committee related to a future strategic development plan. He indicated that the committee is discussing issues relative to a proposed utility shed / workshop facility, and also on issues

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involving District cash flow needs. A discussion regarding the utility shed will be taken up as part of this meeting's agenda. Mr. Noble expects to come to the July meeting with various scenarios showing different mill levy options and valuation projections.

- Other

There were no other old business items brought for discussion at this time.

Discussion Items / New
Business:

- Contract for Installation of
Walking Trail

The Board reviewed the proposed construction contract for the installation of a walking trail along the north section of the gas easement extending from 42nd Avenue through 47th Avenue in Green Valley Ranch. The District distributed the proposal for services to multiple vendors, and published the notice of invitation to bid in *The Daily Journal*. Mr. Pimental noted that the District received a total of two bids. The apparent low responsive and responsible bidder is Roberto Diaz dba the Old Ranch Evergreen Landscaping. After further discussion, and upon motion, second and vote of three in favor, two against (Directors Noble and Haskins), the construction contract was approved as presented, in the amount not to exceed \$81,000.

- Discussion regarding future
maintenance operations
needs / maintenance
workshop concept proposal

Mr. Pimental gave a presentation on the concept of a proposed utility shed / maintenance workshop. He recommended the workshop be designed and constructed such that it would be complete by Spring, 2014 in order to meet the upcoming landscape season, to achieve cost savings, and to complete the project during the tenure of the existing Board. The utility shed would be constructed south of the existing administrative building. The project is estimated to cost approximately \$200,000, and would be a total of approximately 2,400 square feet, including the main floor and attic space. Mr. Pimental described the District's current direct and indirect costs related to maintenance expenses, and the projected cost savings by the construction of the maintenance workshop facility.

Mr. Pimental requested Board approval of the concept such that staff could proceed with the development of a request for proposals for the project.

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Board members discussed the preparation of an RFP for the project prior to completion of a District needs assessment. The Board also discussed the feasibility of adding a second story to the building to increase available District office space.

After additional discussion of the concept, and upon motion, second and unanimous vote, the Board agreed to (1) move forward with the maintenance workshop project concept; and (2) to develop a needs assessment related to programming and site plans before the maintenance workshop project is final.

- Other

There were no other new business items brought for discussion at this time.

Director Items

There were no director items brought at this time for discussion.

Other Business

Mr. Pimental reported that he is considering a job offer for a position in Minnesota, and that he will advise the Board of a final determination by Friday, June 21, 2013. The Board discussed potential dates for upcoming special meeting(s) to address the job search process, if necessary.

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 10:25 p.m.

Secretary for the Meeting