

RECORD OF PROCEEDINGS

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**MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
PARKER JORDAN METROPOLITAN DISTRICT  
HELD  
MAY 15, 2012**

A regular meeting of the Board of Directors (the "Board") of the Parker Jordan Metropolitan District (the "District") was held on May 15, 2012 at 5:00 p.m. at CliftonLarsonAllen LLP, located at 8390 E. Crescent Parkway, Suite 500, Greenwood Village, CO 80111.

Attendance

In attendance were Directors:

Norman A. Sheldon  
Bill Lamberton (via telephone)  
Clint Waldron (arrived at 5:25 p.m.)  
Mike Cornelsen  
Allen Keesen

Also in attendance were:

Bob Blodgett and Kevin Collins; CliftonLarsonAllen LLP  
Dan Sheldon; United Development Companies LLC  
Rick Kron; Grimshaw & Harring  
Josh Duncan; J3 Engineering  
Tom Bishop; D.A. Davidson  
Mark Carlson; T. Charles Wilson Insurance  
Laura Hoepfner; City of Centennial  
Don Leyn; 16498 E. Phillips Place  
Kevin Pettway; 16253 E. Otero Avenue  
Tim Blum; 16124 E. Hinsdale Avenue

Call to Order

Director Sheldon called the meeting to order at 5:10 p.m.

Pledge of  
Allegiance

Ms. Hoepfner led the Board and audience in the pledge of allegiance.

Declaration of  
Quorum/Director  
Qualifications  
Disclosure Matters

The Board was advised that pursuant to Colorado law, certain disclosures by the Board members may be required prior to taking official action at the meeting. The Board then reviewed the agenda for the meeting, following which each Board member confirmed the contents of any written disclosure previously made, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. Additionally, the Board determined that the

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participation of members present was necessary to obtain a quorum or otherwise enable the Board to act.

Director Sheldon reported that he had disclosed his interest as an owner of property located in the District. These disclosures are in association with the consideration and/or approval of agenda items which may affect his interests. A written disclosure of his interests was filed with the Secretary of State prior to the meeting.

Director Lamberton reported that he had disclosed his interest as an owner of property located in the District. The disclosure is in association with the consideration and/or approval of agenda items which may affect his interests. A written disclosure of his interests was filed with the Secretary of State prior to the meeting.

Director Keesen reported that he is an owner of property located in the District. The disclosure is in association with the consideration and/or approval of agenda items which may affect his interests. A written disclosure of his interests was filed with the Secretary of State prior to the meeting.

Director Waldron reported that he had disclosed his interest as an owner of property located in the District. Director Waldron is also an associate attorney with White, Bear & Ankele, which serves as general counsel to Cornerstar Metropolitan District. The disclosure is in association with the consideration and/or approval of agenda items which may affect his interests. A written disclosure of his interests was filed with the Secretary of State prior to the meeting.

Director Cornelsen presented information on his disclosure as an owner of a home in the Southcreek Subdivision. He indicated his home backs up to the 27-Acre Open Space and he would like this placed into future Board meeting minutes effective with the May 15, 2012 Board meeting. His address is 16161 E. Otero Avenue.

### BOD Election Results

#### A. Oaths of Office

Director Sheldon read the results of the election into the Record. For the two year term, Norman Sheldon received 100 votes, Charles Lennon received 47 votes, John Fetters, Jr. received 14 votes and JoAnn Fetters received 20 votes. Norman Sheldon was elected.

For the four year term, two candidates were to be elected. Clint Waldron and Mike Cornelsen each received 150 votes, John Fetters III received 29 votes. Mr. Cornelsen and Mr. Waldron are elected to four year terms.

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The Board and audience congratulated Mr. Sheldon, Cornelsen and Waldron on their re-elections to the Board.

President Sheldon had previously had his Oath of Office administered by a Notary. President Sheldon administered the Oaths of Office to Directors Waldron and Cornelsen.

### B. Election of Officers

Upon a motion duly made by Director Lamberton, seconded by Director Keesen, and upon a vote, Director Sheldon was nominated to continue as President. Director Sheldon was approved as President by vote of 3-2 (Directors Waldron and Cornelsen no).

Directors Waldron and Cornelsen stated that they believed a transition of leadership was in order for the District in the future.

Upon a motion duly made by Director Keesen, seconded by Director Sheldon, and upon a vote, unanimously carried, the Board elected Director Cornelsen as Vice President.

Upon a motion duly made by Director Keesen, seconded by Director Waldron, and upon a vote, unanimously carried, the Board elected Director Lamberton as Treasurer.

Upon a motion duly made by Director Sheldon, seconded by Director Cornelsen, and upon a vote, unanimously carried, the Board elected Directors Waldron and Keesen as Assistant Secretary/Treasurers.

### Consideration of Agenda

Director Sheldon asked that Item 7G on the Consent Agenda, Approval of the D.A. Davidson Letter Agreement for Investment Banking Services be removed from the Consent Agenda. The Board concurred.

### Public Comment

Mr. Blum stated he is a resident of Creekview at River Run. He stated he had concerns about the Board election in the District after he received his mail ballot and began contacting Mr. Blodgett and Board members to discuss information about the District. He stated his concerns as follows:

1. He was concerned that three members of the same family were running for the Board. Mr. Kron noted this is not illegal.
2. He stated the District should post its regular meeting notice also at the Broncos Parkway Trailhead so it is at a more visible location.

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3. He stated the District's website should clearly indicate the current location of Board meetings and where the meetings are on a monthly basis.
4. District Board meetings should not be held at a restaurant.
5. District Board minutes should be posted on the District's website once approved.
6. The District election results should be put on the District's website immediately.
7. He is concerned about the absences of Director Keesen and the Board's policy to pay for travel for Board members who are out of state to return for a regular Board meeting.
8. He is filing an Open Records Request for a list of any contracts between family members within the District for the last 10 years.
9. He asked whether the Board had received any governance training. He also asked if the Board had received any ethics training.

The Board thanked Mr. Blum for his comments, and stated they would discuss his items later in the meeting. Mr. Blodgett provided him a business card so he could submit his Open Records Request in writing to the District for a response.

### CONSENT AGENDA

Mr. Blodgett noted the April 26<sup>th</sup> minutes would be amended to reflect changes recommended by Mr. Sheldon. He also noted the 2011 Audit would include an additional footnote recommended by Director Cornelsen regarding related parties disclosure.

After discussion, and upon a motion duly made by Director Keesen, seconded by Director Cornelsen, and upon a vote, unanimously carried, the Board approved the consent agenda with the amended minutes and amended 2011 audit footnote. The consent agenda consisted of the following:

- a. Approve Minutes of the April 26, 2012 Special Board Meeting
- b. Approve April 30, 2012 Financial Statements and Accept Cash Position Report
- c. Approve April 2012 Claims Totaling \$919,612.51 Represented by Checks Number 1359 Through 1376 and Directors' Fees
- d. Ratify Approval of April 2012 Claims Totaling \$8,568.00 Represented by Check Numbers 1357 Through 1358
- e. Approve Change Order to the Contract with Four Winds Interactive for Sound and Video for the Kiosk - \$2,138
- f. Approve Temporary Construction Easement with SEMSWA for Work in PJCOS Related to CCVEP Stream Work
- g. Accept Facility Fee Report
- h. Accept Information on Prior TABOR Elections Regarding Operations and Maintenance Mill Levy

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- i. Ratify 2011 Audit
- j. Accept April 20, 2012 CCBWG Meeting – Results (May 19, 2012 Meeting Cancelled)
- k. Information Items

Director Sheldon expressed concern about the term of the D.A. Davidson agreement extending through December 31, 2013. He stated it should be December 31, 2012. Mr. Bishop explained his rationale for this term, in case the bonds did not close by the end of 2012. However, he stated based on his report to be presented tonight, this is probably a moot point.

After discussion, upon a motion by Director Sheldon, seconded by Director Keesen, and upon a vote, unanimously carried, the Board approved an amendment to the D.A. Davidson letter agreement to provide for the term through December 31, 2012 rather than 2013.

### **DISCUSSION AGENDA**

#### 2012-2013 Insurance Policy Options

Mr. Carlson distributed a document entitled “Insurance Proposal for Parker Jordan Metropolitan District, Dated May 15, 2012”. He reviewed proposals received from other companies. He noted that the Public Entity Pak was the only real option for the District. The SDA pool continues to decline to bid on the District’s insurance requirements. The proposal from the Public Entity Pak for 2012 is \$12,524. The District’s current premium is \$10,545. He stated he is seeing increases of between 3% and 8%. The District’s increase of approximately 20% is significantly higher than others, particularly considering the District has not had any claims in the past couple of years. He will contact Public Entity Pak to discuss with them a potential reduction in the 2012 premium. This will be returned at the June 5<sup>th</sup> Board meeting. The Board thanked Mr. Carlson for his report.

#### Bond Refinancing Options

Mr. Bishop distributed copies of a report entitled “Parker Jordan Metropolitan District Bank Term Sheet – Summary”. Mr. Bishop reported he received three responses to the 12 RFP’s he sent to banks. Colorado State Bank, BBBA Compass and Co Biz responded. He reviewed the different responses with the Board. He recommended Colorado State Bank as the most responsive. The Board discussed the four different options provided by Colorado State Bank.

After discussion, and upon a motion duly made by Director Cornelsen, seconded by Director Waldron, and upon a vote, unanimously carried, the Board authorized Mr. Bishop to proceed with Option 1B with a straight

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line amortization rate. This option will result in an approximate mill levy reduction of two (2) mills annually over the 15 year life of the loan. The present value savings are approximately \$1,300,000. The Board further authorized Director Cornelsen to meet with Mr. Bishop no later than Friday, May 18<sup>th</sup> and sign the bank term sheet. He indicated the rates would be locked for 30 days from Colorado State Bank with no penalty.

Mr. Bishop also distributed a schedule of events for the 2012 tax exempt loan dated May 15<sup>th</sup>. The schedule calls for a District Board special meeting on Tuesday, June 5<sup>th</sup>.

After discussion, the Board agreed on a special Board meeting to pass the loan resolution on Tuesday, June 5<sup>th</sup> at noon at CliftonLarsonAllen LLP. The meeting will take only approximately 30 minutes. Mr. Kron noted the statutes specifically authorizes Board members to participate by telephone on a meeting for approval of debt. Mr. Blodgett will notify the Board, Mr. Collins and Mr. Bishop of this special meeting date and time.

PJCOS Stream  
Restoration and  
Open Space  
Reclamation/  
Amenity Work

A. Power Point Update - Dan Sheldon

Mr. Sheldon reviewed his Power Point update with the current status of the construction activities within the District. He utilized an aerial photo recently provided by Image Works which reflects the current improvements built within the PJCOS Project. The Board authorized Mr. Sheldon to purchase a copy of the Image Works photo for use on the District's website and other materials to demonstrate what improvements have been constructed within the stream and open space.

Director Waldron noted there are numerous weeds within the garden of the Broncos Parkway Trailhead. Mr. Sheldon will notify Arapahoe County.

Director Waldron also asked that Emerald Isle mow the easement that the District maintains on behalf of the HOA.

Mr. Sheldon reported that the District will need to use the Tagawa electrical meter, after all. IREA will not allow a separate electrical meter for the kiosk without excessive costs. The Board approved this item.

Mr. Blodgett reported his office has contacted Arapahoe County and Centennial regarding the potential grand opening date of July 28<sup>th</sup>. He has not yet received any feedback other than the Centennial Mayor who thought July 28<sup>th</sup> would work.

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Director Sheldon asked Mr. Blodgett to contact Mr. Pete Webb, who does public relations work for special districts, to request a proposal for coordinating the grand opening event on behalf of the District.

Mr. Sheldon discussed the status of the trees planted between the trail and the eastern property. He noted approximately 60% of the trees are dead or dying. Soil tests are being conducted to determine the cause of the problem. The results of this analysis will be provided at the end of this week.

The Board discussed the possibility of a security camera being placed at or near the kiosk in the future. Director Sheldon indicated he would contact an individual to receive bids on a possible security camera.

Director Cornelsen stated he is willing to meet with the Fetters family to discuss issues of mutual cooperation related to the easements, the trail, property appearance, Cherokee Trail extension and other items that will mutually benefit both their property, the District and PJCOS. The Board authorized Mr. Kron to contact Mr. Bronesky, Ms. Alderman and Mr. Csajaghy to set a meeting with Director Cornelsen and the Fetters family. Director Waldron may also attend this meeting if available.

Mr. Sheldon recommended the District consider minor irrigation and landscaping along the split rail fence between PJCOS and Tagawas, including a new 30 foot section of trail to connect from PJCOS to Tagawas. He estimated the price at not to exceed \$6,000.

Upon a motion duly made by Director Keesen, seconded by Director Cornelsen, and upon a vote, unanimously carried, the Board approved this trail and landscaping project.

Mr. Sheldon distributed information on the Ladera Trail Connection. He reported the estimated design, review and permitting fees are approximately \$5,000. The approximate total construction and design costs is about \$25,000.

After discussion, and upon a motion duly made by Director Cornelsen, seconded by Director Waldron, and upon a vote, unanimously carried, the Board approved a not to exceed \$5,000 for J3 Engineering to begin the design and permitting process with Arapahoe County.

Mr. Sheldon reported that there is a difference of opinion between Fiore & Sons, Inc., the District and J3 Engineering regarding who pays for the construction of Planning Area 2 Trail which connects the trail at the Low Water Crossing Bridge to the Cornerstar Trail. He estimated this cost at \$70,000. J3 Engineering contends this requirement was in the plans and should have been a part of the bid. Fiore & Sons, Inc. indicates it was not

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clear that this trail was to be built with the Low Water Crossing Bridge Trail.

After discussion, the Board deferred action on this potential cost until the project is completed and it can be discussed with other issues with Fiore at that time.

Mr. Sheldon reported the kiosk should be completed towards the end of June. Director Cornelsen asked about issues related to the construction of the kiosk. Mr. Sheldon reported he has met with Valarian and these issues should be resolved.

### B. Discuss 27 Acre Dirt Stockpiling and Potential Pedestrian Trails - Options

Mr. Sheldon recommended the District restore the 27 acre property back to its original condition with no excess dirt. The Board concurred. The subject of the 27 acre future development will be a part of the planning grant.

### C. Status of 27 Acre Planning Grant Request to Arapahoe County

Mr. Blodgett reported Arapahoe County has approved the 27 acre planning grant in the amount of \$50,000 to the District. The ceremony to award this and other grants for 2012 by Arapahoe County is June 8<sup>th</sup> at Hudson Gardens at lunch.

The Board expressed concern about the negative comments by several evaluators on the OSTAB Board regarding the District's grant project. They asked that Mr. Blodgett get a response from Valerian to these specific shortfalls in the grant proposal. Mr. Blodgett will discuss with Valerian and with Mr. Einarsen at Arapahoe County. Mr. Blodgett reported he has corrected the misconception about the lowering of the District's mill levy for 2012 (one of the comments).

### Other Capital Projects

#### A. PJCOS Dedication Plaque/Sign – Bob Blodgett

The Board discussed the draft sign and whether or not the expenditure for this sign on flagstone was appropriate. Mr. Blodgett reported he can reduce some of the wording on this sign and it can also be placed on a plaque rather than a flagstone rock to save money. This format is modeled after the dedication flagstone rock at the Cherry Creek Valley Ecological Park.



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After discussion, the Board asked Mr. Blodgett to meet with the City of Centennial and develop some additional options and designs for consideration at the June Board meeting.

### Legal

#### A. CORA Lawsuit Update

Mr. Kron and Mr. Blodgett distributed information related to the status of the CORA lawsuit. MPIC has provided a \$1,000 deposit towards the cost of research for the emails requested by MPIC. Mr. Bronesky has responded in writing to MPIC's attorney. Requested email information should be ready within the next 7-10 days.

#### B. Status of Easement Issues with MPIC

Mr. Kron reported Ms. Whitmore is moving to Ridgeway to become the Ouray County attorney. The Board decided that a replacement water rights attorney is not needed by the District at this time.

#### C. Discuss Landscaping Construction Easement Agreement with ACWWA

Mr. Sheldon reported that the Fetters provided an easement in 1984 for the ACWWA 60" sewer line underneath the District's landscape and trail improvements. ACWWA is requesting a letter of acknowledgement of the easement from the District.

After discussion, the Board approved the acknowledgement and authorized Director Sheldon to sign it on behalf of the Board.

#### D. Executive Session – Legal Advice (If Necessary)

None required.

### Financial

#### A. Status of Cornerstar Facility Fee Reimbursement to Alberta – \$4,984.34

Mr. Collins and Mr. Kron discussed the current Facility Fee Reimbursement Agreement between the District and Alberta. Mr. Kron reported that the District is not a direct party to the engineering and accounting certifications for the Cornerstar public improvements that were completed several years ago in association with the Cornerstar bond issue. However, Mr. Collins reported that all of these public improvements were accepted and approved by the City of Aurora and were certified by a professional engineer and accountant. It is not likely a new engineer is going to change any of these prior reports.

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After additional discussion, and upon a motion duly made by Director Sheldon, seconded by Director Keesen, and upon a vote, the Board authorized payment to Alberta for this reimbursement. Mr. Collins will provide information in the future on the additional amounts to be eligible for future reimbursements. Director Waldron abstained from the vote.

Director Keesen recommended the Board develop a policy related to future requests for reimbursements. Mr. Blodgett will provide Mr. Kron a copy of the current District policy on advance and reimbursement agreements with developers in the District for his review.

### Director's Items

#### A. Maintenance of Various HOA Facilities – Norm Sheldon

Director Waldron reported Ms. June Sexton did not provide accurate information regarding the ability of the HOA Boards to provide public easements. It does not require a vote of 80% of the members. The HOA Boards previously provided easements to the District along the fence line for maintenance by PJMD.

After discussion, Director Sheldon asked Mr. Waldron to draft a letter to the District's HOA's regarding the District's offer to construct and/or maintain facilities which would be open to the public through ownership or an easement for park and recreation, open space, storm drainage or retention pond purposes.

#### B. Discuss Compensation Related to Award of \$643,000 PJCOS Grant by Arapahoe County

Director Lamberton reported he asked that this item be placed on the agenda for discussion. He stated the District should be willing to recognize the extraordinary effort made by Mr. Sheldon and other District team members who contributed to the District's receipt of the largest grant to a special District in the history of the open space program. He did not have any specific suggestions related to the type or amount of compensation.

Director Cornelsen stated Mr. Sheldon and the entire District team did an outstanding and exceptional job related to seeking and acquiring this grant from the County to the District. However, he has a concern about providing compensation to any related parties within the District.

Director Waldron stated that this is a practice in the private sector, but he does not believe government should be providing bonuses or additional compensation to consultants.

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After discussion, the Board tabled action on any compensation related to this award. Director Sheldon asked that this item not be placed on the June Board meeting agenda.

### Manager's Items

#### A. SDA Workshops

Mr. Blodgett reviewed the June 8<sup>th</sup> and June 29<sup>th</sup> workshop information with the Board. They will notify him if they would like to register.

#### B. Discuss Draft Rules and Regulations for PJCOS

Mr. Blodgett reviewed the draft Resolution 5-15-2012 related to PJCOS. He also provided copies of the City of Centennial Civic Center Park ordinance for review. He noted the key issues for the District "as co-owner" are permitting procedures and policies and use of alcohol for special events.

The Board asked that he continue to work with Centennial regarding the draft rules and regulations. He will also obtain a copy of the rules for the 17-Mile House and Cherry Creek Valley Ecological Park for comparison. Eventually, a common management plan and permitting policy should be provided for all of the open space within the District regardless of ownership.

These rules and regulations need to be adopted prior to the open space opening on approximately August 1<sup>st</sup>.

#### C. Other

Mr. Blodgett reported Grimshaw & Haring, P.C. was retained as interim general counsel through the Director's election. The Board needs to discuss long term retention of Grimshaw & Haring, P.C. or a process to hire a new attorney.

After discussion, the Board asked Mr. Kron to provide a letter with rates for continuation as the long term general counsel for the District. This will be discussed at the June Board meeting.

### Other Business

#### A. Confirm Quorum for the June 19, 2012 Board Meeting

Not discussed.

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### B. Other Business

The Board thanked Mr. Blum for his attendance tonight. They asked for clarification on his Open Records Request. He will provide a letter to Mr. Blodgett for review. The Board discussed the possibility of charging Mr. Blum 25 cents per page for retrieving the documents. The Board will determine the response once they receive Mr. Blum's letter of request.

Mr. Kron reported that the Emerald Isle contract and the contract with United Development Companies are the related party contracts that would be provided. Director Waldron stated these are public documents and should be provided upon request.

Director Keesen stated he plans to resign from the Board following his attendance at the canvassing Board meeting on May 16<sup>th</sup>. He will send a letter to Mr. Blodgett. The Board discussed a process to fill the position. Director Cornelsen asked what the Board's policy is regarding filling a vacancy. Director Keesen noted former Director Leyn was in attendance at the meeting and is highly qualified for this position. Director Cornelsen reported he has spoken with several individuals in the District during the recent election campaign who might have an interest in serving. Director Cornelsen suggested a special meeting of the Board to discuss policies and procedures related to filling vacancies, travel, consultant retention and other items. He stated now that the current Board has been re-elected, this would be important for Board members to discuss together.

After discussion, the Board agreed to meet on Tuesday, May 29<sup>th</sup> at 5:30 p.m. until 7:00 p.m. at CliftonLarsonAllen LLP. Mr. Blodgett will post the Notice of this meeting date.

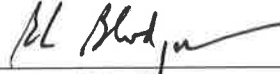
Mr. Sheldon reported that the estimated cost of the Cherry Creek Valley Ecological Park stream and amenity work is \$4,500,000. To date, \$4,000,000 has been committed by the various funding agencies. There is a \$500,000 shortfall pending the bidding process.

Director Sheldon asked Mr. Collins to review the District's 2 mill levy IGA with Arapahoe County and estimate what the possible value of paying the County to eliminate this 2 mill levy might be. Perhaps the District can contribute these monies to the Eco Park Project so that it can be completed as planned in 2012-2013. Mr. Collins will review and report back to the Board.

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Adjournment

Upon a motion duly made by Director Keesen, seconded by Director Lamberton, and upon a vote unanimously carried, the meeting was adjourned at 10:35 p.m.



Secretary for the Meeting