

RECORD OF PROCEEDINGS

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**MINUTES OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF THE  
PARKER JORDAN METROPOLITAN DISTRICT  
HELD  
APRIL 26, 2012**

A special meeting of the Board of Directors (the "Board") of the Parker Jordan Metropolitan District (the "District") was held on April 26, 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  
Clint Waldron (left at 9:00 p.m.)  
Mike Cornelsen  
Allen Keesen (via telephone)

Also in attendance were:

Bob Blodgett and Kevin Collins; CliftonLarsonAllen LLP  
Dan Sheldon; United Development Companies LLC  
Ron Lambert; Mulhern MRE  
Susan Brown; Valerian LLC  
Rick Kron; Grimshaw & Harring  
Josh Duncan and Ken Cecil; J3 Engineering  
Bruce O'Donnell, Alan Matlosz, Marc Dispense and Michael Persichitte;  
George K. Baum  
Tom Bishop; D.A. Davidson  
Butch Fiore, Tim Sullivan, Tim Mangnall, Carol Johnson and Foster  
Kenney - Fiore & Sons, Inc.  
June Sexton and Kevin Pettway; South Creek Residents

Call to Order

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

Pledge of  
Allegiance

Director Cornelsen led the Board and audience in the pledge of allegiance.

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### 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 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 reported that he has no conflicts to disclose. Therefore, no written disclosure of interest was filed with the Secretary of State prior to the meeting.

### Consideration of Agenda

Upon a motion duly made by Director Cornelsen, seconded by Director Lamberton, and upon a vote, unanimously carried, the Board approved the Agenda as submitted.

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Public  
Comment

None.

## CONSENT AGENDA

Director Waldron asked that check number 1347 to Miller & Associates in the amount of \$15,893.95 for March work be removed from the Agenda. The Board concurred. Mr. Blodgett reported the revised March 2012 claims now total \$872,085.73. Several additional checks were received after the Board packet was mailed, and the United Development Company LLC invoice was reduced by the amount of the out of scope work under the construction management contract that is being reviewed by the Board and attorney.

Upon a motion duly made by Director Waldron, seconded by Director Lamberton, and upon a vote, unanimously carried, the Board approved the consent agenda as amended with the exception of check 1347.

- a. Approve Minutes of the March 20, 2012 Regular Board Meeting
- b. Approve March 31, 2012 Financial Statements
- c. Approve March 2012 Claims Totaling \$872,085.73 and Directors' Fees Totaling \$471.75
- d. Ratify Approval of March 2012 Claims Totaling \$889.33 Represented by Check Numbers 1325 Through 1326 and Ratify March Claims Totaling \$8,514.70 Represented by Check Numbers 1327 Through 1329
- e. Approve Change Order No. 2 With Fiore for Additional Improvements Requested by the District and SEMSWA - \$58,932.23
- f. Approve Change Order to the Contract with Four Winds Interactive (Kiosk) for PC Purchase - \$1,009
- g. Approve Increase in Budget with ERO For Additional Revegetation Oversight Due to Unanticipated Delays in Project Completion - \$15,000
- h. Accept Facility Fee Report
- i. Information Items

## DISCUSSION AGENDA

Proposed Bond  
Refunding  
Presentations

- a. George K. Baum – Bruce O'Donnell

Mr. O'Donnell distributed a report to the Board and described George K. Baum's experience with District bond issues and their proposal for refunding the District's 2003 bonds.

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b. D.A. Davidson – Tom Bishop

Mr. Bishop distributed a report to the Board describing D.A. Davidson's expertise with Special Districts and their proposal for refunding the District's 2003 bonds.

c. Next Steps – Kevin Collins

Mr. Collins reviewed his analysis of the potential advantages of each of the two proposals. He noted that Wells Fargo purchased the District's bonds in 2006. These will be refundable in 2014.

The Board thanked both George K. Baum and D.A. Davidson for their presentations and indicated they would discuss this matter later in the meeting, and inform them of a decision tomorrow.

PJCOS Stream  
Restoration and  
Open Space  
Reclamation/  
Amenity Work

a. Status of Fiore & Sons, Inc. NOI Submittals

Mr. Sheldon reviewed the recommended letter to be submitted by him to Fiore & Sons, Inc. responding to their NOI requests. The letter recommends denial of all of the NOI's other than the approximately \$30,000 approved on tonight's consent agenda for additional security and additional storm drainage work under the Trail to address run off from the property to the east.

Mr. Sheldon reported J3 Engineering provided written recommendations on each NOI after reviewing the request against the plans, specifications and scope of work. Mr. Kron also reviewed the draft letter.

After discussion, and upon a motion duly made by Director Waldron, seconded by Director Cornelsen, and upon a vote, unanimously carried, the Board authorized Mr. Sheldon to send the letter response on the NOI's submittal to Fiore & Sons, Inc. The District will not be acting on their request for additional compensation until such time as the project is completed.

b. Power Point Update – Dan Sheldon

Mr. Sheldon reported that due to technical difficulties, the Power Point was not available tonight.

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He reported another milestone will be reached tomorrow when Fiore & Sons, Inc. releases water back into the channel adjacent to the 17-Mile House drop structure #5.

### c. 27 Acre Dirt Stockpiling and Potential Pedestrian Trails

Director Sheldon reported he invited the Board of Directors of the Paired HOA and Master HOA to the meeting tonight to address this issue. Ms. Sexton from the Master HOA reported that she has some concerns about the pedestrian trails and the potential for parking in the cul-de-sacs and on the streets of South Creek by the public. Mr. Fettaway reported he is supportive of the District's effort to smooth the dirt up against the wall adjacent to the south end of South Creek.

Director Sheldon suggested a committee of two Board members, two representatives from the HOA, and the construction manager to discuss the future use of the 27 acre dirt stockpile.

Mr. Sheldon reported that J3 Engineering needs to first verify the District's property line is up against the wall. It is possible there is a 1-2 foot gap which would need to be addressed first.

The Board authorized Mr. Sheldon and J3 Engineering to review the District's property line and inform them as to whether it is at the wall or not.

Action was deferred on a committee.

Director Sheldon asked the HOA if they would like the District to maintain some of their public facilities, such as streets, storm drainage or parks, recreation and open space facilities. The District can do so under its Service Plan.

Ms. Sexton reported that the covenants of the Master HOA note that these facilities are on private property, and the HOA must maintain them. To change the covenants would require an 80% vote of the homeowners. She does not think that would happen.

The Board tabled discussion of the possibility of the District maintaining various HOA facilities for a future meeting.

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

Mr. Blodgett reported Arapahoe County would decide on this grant in early to mid May.

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e. Kiosk Update – Susan Brown

Ms. Brown reported that the Arapahoe Tribe will bless the Center of Wisdom for \$1,000. This is an Arapahoe tradition for this type of facility.

Director Waldron suggested this be included in a grand opening budget and discussion with the City of Centennial (the “City”) and Arapahoe County before the Board takes any action. The Board concurred.

Mr. Sheldon reported the PJCOS work should be complete between mid July and mid August. He suggested Saturday, July 28<sup>th</sup> as a date for the grand opening. The Board authorized Mr. Sheldon to discuss this date with the City and Arapahoe County and then begin planning for the grand opening.

f. Other

Mr. Sheldon recommended approval to set the District’s own electrical meter rather than using Tagawa’s. The Board concurred.

Director Sheldon asked Mr. Sheldon to work with Tagawa regarding potential landscaping for the fence adjacent to Tagawa along the Trail.

Mr. Sheldon reported Fiore & Sons, Inc. successfully worked out an issue with their subcontractor, Pase, regarding necessary erosion control fabric within the Creek.

Mr. Sheldon recommended approval of an additional budget for Ground Engineering in the amount of \$13,611.00 for materials testing due to the extended work by the contractor.

Upon a motion duly made by Director Keesen, seconded by Director Lamberton, and upon a vote, unanimously carried, the Board approved an additional budget for Ground Engineering in the amount of \$13,611.00 for materials testing.

Mr. Sheldon recommended not to exceed \$25,000 for Fiore & Sons, Inc. for removing 30 loads of unsuitable material from the Creek and hauling it offsite. He noted Fiore has already removed 20 loads within the scope of their contract. Consultants agree the additional 30 loads is extraordinary.

Upon a motion duly made by Director Lamberton, seconded by Director Keesen, and upon a vote, unanimously carried, the Board approved not to exceed \$25,000.

Mr. Sheldon reported J3 Engineering has requested an additional \$10,000 due to the additional time and effort required to work with the contractor to complete the job.

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Upon a motion duly made by Director Waldron, seconded by Director Cornelsen, and upon a vote, unanimously carried, the Board approved the \$10,000 increase for J3 Engineering.

The Board discussed the legal bill of Ms. Miller. Director Cornelsen noted that Director Waldron had left the meeting and was not available to discuss this. He had pulled it off the agenda to ensure that all this legal work at her office and Mr. Kron's office was needed.

The Board discussed whether the work was valid and whether it should be paid tonight with all of the other consultants who are spending greater than anticipated time and effort on this project.

Upon a motion duly made by Director Lamberton, seconded by Director Keesen, and upon a vote, unanimously carried, the Board approved payment of check number 1347 to Miller & Associates for \$15,893.95 by a vote of 3 to 0 with Director Cornelsen abstaining.

### Other Capital Projects

- a. PJCOS Dedication Plaque/Sign – Bob Blodgett

The Board deferred action to the May 15<sup>th</sup> meeting.

### Legal

- a. Status of Easement and Water Rights Issues with MPIC

Mr. Kron reported on the results of his meeting with Ms. Alderman and Mr. Csajaghy. Mr. Kron informed Ms. Alderman that the Fetters and the District need to work together regarding the safe use and access to their easement which is on District property at an active construction site.

Mr. Kron indicated there was a brief discussion of the CORA lawsuit. Mr. Kron referred them to Mr. Bronesky at Sherman & Howard, to discuss this case.

- b. Executive Session

None required.

- c. May 2012 Directors' Election Update

The Board accepted the April 25<sup>th</sup> update provided by SDMS.

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- d. Status of IGA with Arapahoe County to Accept \$643,000 for PJCOS Open Space Reclamation Work

Mr. Blodgett reported the only change made to the IGA received from Arapahoe County was to add Mr. Kron's lawfirm and name under the notice provision of the IGA. The remainder of the IGA is workable for the District.

Upon a motion duly made by Director Lamberton, seconded by Director Keesen, and upon a vote, unanimously carried, the Board approved the IGA with Arapahoe County to accept \$643,000 for PJCOS open space reclamation work.

The Board executed the four originals. Mr. Blodgett will return them to Mr. Einarsen tomorrow. He indicated wire instructions have already been received from Mr. Einarsen. These will be completed and returned to the County for wiring of the funds as soon as the County executes the IGA.

Director Sheldon suggested that some additional compensation for United Development Companies is merited due to the effort made to receive this grant. The Board tabled action to the May 15<sup>th</sup> meeting.

### Financial

- a. Cash Position Schedule

Director Cornelsen reported he has reviewed the schedule. He indicated the District needs to continue to focus on cost containment efforts related to the Fiore & Sons, Inc. contract. All of the consultants are over budget and have had additional costs due to the work required for this contract.

Mr. Collins distributed a copy of a draft of the contingency budget for the Fiore & Sons, Inc. contract for Board review.

- b. Status of Cornerstar Facility Fee Reimbursement to Alberta – \$4,984.34

Not discussed.

- c. Status of 2011 Audit

Mr. Collins reported this is a "clean" audit. He thanked Director Cornelsen for his involvement with the accounting staff and the auditor to review the documents.

Upon a motion duly made by Director Cornelsen, seconded by Director Sheldon, and upon a vote, unanimously carried, the Board approved the 2011 Audit and authorized Mr. Collins to finalize the document and file it with the State Division of Local Government.



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d. Other

The Board authorized Director Sheldon to work with Mr. Collins and Centennial Bank and roll over the present CD's to attempt to obtain a higher interest rate.

Upon a motion duly made by Director Keesen, seconded by Director Cornelsen, and upon a vote, unanimously carried, the Board approved Director Sheldon's work on the CD's.

Director's Items

a. Maintenance of Various HOA Facilities – Norm Sheldon

Previously discussed.

Manager's Items

a. 2012 Insurance Policy Update

Mr. Blodgett reviewed the coverage information provided by T. Charles Wilson. Mr. Carlson will attend the May 15<sup>th</sup> Board meeting. The District's policy expires July 15<sup>th</sup>.

b. April 20, 2012 CCBWG Meeting Results

Mr. Blodgett summarized results of this meeting. Director Sheldon asked that Mr. Sheldon get in touch with Mr. Trapp, Director of Parks and Open Space with the Town of Parker regarding placement of mile markers within the District.

Other Business

a. Confirm Quorum for the May 15, 2012 Board Meeting

Director Lamberton reported he cannot attend the May 15<sup>th</sup> meeting in person, but will be available by telephone.

b. Other Business

Director Sheldon reported Mr. Don Leyn has expressed an interest in serving on the Board again in the future.

The Board asked Mr. Blodgett to contact SDA to obtain five rooms for the future Board for the annual SDA Conference on September 19-21, 2012.

Mr. Sheldon asked the Board to give him direction regarding his \$8,640.00 bill for out of scope work which had been pulled off the Consent Agenda. Director Lamberton indicated he was supportive of

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paying for this work since other consultants were also receiving additional compensation for all of the additional work caused by Fiore & Sons, Inc.

Director Cornelsen expressed concern regarding payment under the construction management contract of both the percentage of the work and an hourly fee. This is different than the other consultants.

Mr. Sheldon stated that he placed this work in the out of scope category since it involved the unreasonable NOI's requested by Fiore & Sons, Inc. in the amount of approximately \$1,600,000 in which only \$30,000 has been approved.

Mr. Kron suggested that the amount could be set aside until the project is completed. Director Waldron had also mentioned this possibility so that all of the additional costs of all of the consultants in the project could be evaluated prior to paying it.

Director Lamberton stated the work has been completed and he believed Mr. Sheldon is being fair and straight forward with the District.

After additional discussion, and upon a motion duly made by Director Lamberton, seconded by Director Keesen, and upon a vote, a motion to pay the \$8,640.00 for out of scope work failed to obtain a majority by a vote of 2 For (Lamberton and Keesen), 0 Against and 2 Abstained (Sheldon and Cornelsen).

Director Cornelsen recommended the District reconsider Mr. Sheldon's out of scope work request for \$8,640.00, subject to his being able to discuss this issue with Director Waldron who had left the meeting.

Following further discussion, upon a motion duly made by Director Lamberton, seconded by Director Cornelsen, and upon a vote, unanimously carried, the Board approved the payment of the out of scope work in the amount of \$8,640.00 subject to the Board Treasurer completing his review of the issues related to this work with Director Waldron and reporting back to Mr. Blodgett and the Board.

### Adjournment

Upon a motion duly made by Director Keesen, seconded by Director Lamberton, and upon a vote unanimously carried, the meeting was adjourned at 10:25 p.m.

  
Secretary for the Meeting