

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE VISTA RIDGE METROPOLITAN DISTRICT HELD JULY 18, 2013

A regular meeting of the Board of Directors of the Vista Ridge Metropolitan District (referred to hereafter as the "Board") was convened on Thursday, the 18th day of July, 2013, at 8:00 A.M., at the Vista Ridge Community Center, 2750 Vista Parkway, Erie, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

James Spehalski
Michael Lund
Daniel Fishman

Following discussion, upon motion duly made by Director Spehalski, seconded by Director Fishman and, upon vote, unanimously carried, the absences of Christopher Koch and Richard Cori were excused.

Also In Attendance Were:

Lisa A. Johnson and Dan Cordova; Special District Management Services, Inc.

Dawn Schilling; Schilling & Company, Inc.

Holly Thiede; Vista Ridge Homeowner's Association

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board noted it was in receipt of disclosures of potential conflict of interest statements for each of the Directors and that statements had been filed with the Secretary of State at least seventy-two hours in advance of the meeting in accordance with the statute. Ms. Johnson requested that the Directors consider whether they had any new conflicts of interest which had not been previously disclosed. It was noted that Director Spehalski is a consultant to Colorado National Golf Club and is working with the Town of Erie ("Town") on other development applications in the Town.

ADMINISTRATIVE MATTERS

Agenda: Ms. Johnson requested that the Board review and approve the proposed Agenda for the District's regular Board meeting.

Following discussion, upon motion duly made by Director Spehalski, seconded by Director Fishman and, upon vote, unanimously carried, the Agenda was approved.

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Minutes: The Board reviewed the Minutes of the May 9, 2013 special meeting.

Following discussion, upon motion duly made by Director Spehalski, seconded by Director Fishman and, upon vote, unanimously carried, the Minutes of the May 9, 2013 special meeting were approved.

2013 SDA Annual Conference: Ms. Johnson discussed having Board Members attend the 2013 SDA Annual Conference. Following discussion, the Board determined not to attend the conference.

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims through the period ending June 17, 2013, totaling \$33,216.78 for general fund expenses and \$832,459.73 for debt service fund expenses.

Following discussion, upon motion duly made by Director Spehalski, seconded by Director Lund and, upon vote, unanimously carried, the Board ratified approval of the payment of claims for the period ending June 17, 2013.

The Board then considered approval of the payment of claims through the period ending July 18, 2013, totaling \$38,584.83 for general fund expenses.

Following discussion, upon motion duly made by Director Spehalski, seconded by Director Fishman and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending July 18, 2013, as presented.

Financial Statements: Ms. Johnson presented the unaudited financial statements for the period ending June 30, 2013 and the schedule of cash position for the period ending June 30, 2013.

Following review, upon motion duly made by Director Spehalski, seconded by Director Fishman and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending June 30, 2013 and the schedule of cash position for the period ending June 30, 2013.

2012 Audit: Ms. Schilling reviewed the 2012 draft Audit with the Board.

Following review and discussion, upon motion duly made by Director Spehalski, seconded by Director Lund and, upon vote, unanimously carried, the Board accepted the 2012 Audit, subject to final review by the legal counsel and accountant, and authorized execution of the Representations Letter.

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2014 Budget: The Board discussed the 2014 Budget.

Following discussion, upon motion duly made by Director Spehalski, seconded by Director Lund and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2014 Budget.

The Board determined to set the public hearing to consider adoption of the 2014 budget on November 21, 2013 at 8:00 a.m. at the regular meeting location.

Annual Reconciliation of Revenue and Expenses: Ms. Johnson reported to the Board that the annual reconciliation of revenue and expenditures related to the non-potable water system has been completed. The golf course was sent an invoice in the amount of \$5,860.88 to cover expenditures that were higher than revenues for the last period. The golf course paid the invoice on June 19, 2013.

Irrigation Water Facilities Common Use Agreement (“the Agreement”): The Board discussed initiating the process to amend and re-state the Irrigation Water Facilities Common Use Agreement with Colorado National Golf Club. The Board directed staff to review the Agreement and prepare a list of items that need to be revised and re-stated. Director Lund volunteered to participate in meetings with the golf course to discuss revisions to the Agreement.

OTHER BUSINESS

Project Manager’s Report: Mr. Cordova reviewed with the Board the Project Manager Report (the “Report”). A copy of the Report is attached hereto, and incorporated herein, by this reference.

Mr. Cordova reported to the Board that after start-up of the irrigation system, a large number of nozzles and sprinkler heads were found to be clogged with an unknown scale that subsequently prevented adequate irrigation coverage and caused many of the District’s turf areas to become stressed. Absolute Natural Resources was contacted to test a sample of the sediment to determine composition, which was identified as being calcium carbonate that had solidified in the system due to high water alkalinity. CoCal has indicated that the presence of the scale has been decreasing, however monitoring of the problem will continue and a water treatment solution to improve water quality will be investigated. The Board discussed the issue in detail and determined to:

- Monitor the calcium build-up and report back to the Board;
- Continue to investigate other solutions;
- Director Fishman and Mr. Cordova will attend the Homeowner’s ;
- Association meeting on August 20, 2013;
- Draft a letter to the Town regarding the issue; and

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- Staff to research whether a waiver is available and ask if CTF funds can be used to mitigate the issue

2014 Landscape Maintenance and Snow Removal: The Board discussed landscape maintenance and snow removal services for 2014. The Board directed staff to solicit proposals.

Integrated Water System Update: There was no report available at this time.

Non-Potable Water System Energy Assessment: There was no report available at this time.

Allocation of responsibility between the District and the Town for maintenance of streets and sidewalks within the community: The Board deferred discussion to the next Board meeting.

Masonry/Stonework Repair: There was nothing new to report on this matter.

OTHER BUSINESS

Communication with the HOA: This item was discussed under the Project Manager's report.

Reschedule September Board Meeting: The Board discussed rescheduling the September regular meeting due to the SDA Conference. The Board determined to reschedule the Board meeting to September 26, 2013 at 8:00 a.m. at the regular meeting location.

District Website: Mr. Cordova will provide information to Director Fishman regarding website hosting. Director Fishman will research the information provided by Mr. Cordova and other website hosting options.

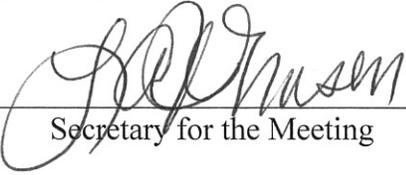
Re-zoning request from the Town of Erie-Developer Report: Director Spehalski reported to the Board that the Town of Erie has submitted an application for re-zoning 14 acres east of Mountain View Boulevard from commercial to residential. This is the area identified as least likely to develop as commercial property. The impact on the District would be a difference in tax collections (lower ratio but earlier development and potential collection). No action was taken by the Board.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

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Respectfully submitted,

By 
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL JULY 18, 2013
MINUTES OF THE VISTA RIDGE METROPOLITAN DISTRICT BY THE
BOARD OF DIRECTORS SIGNING BELOW:

James R. Spehalski



Christopher H. Koch



Michael Lund

Richard Cori



Daniel Fishman

Project Manager Report

Vista Ridge Metropolitan District

5/1/13 – 7/9/13

General Landscaping

- ❖ After irrigation start-up, CoCal encountered a high volume of sprinkler nozzles clogged with an unknown scale. The clogged nozzles prevented proper irrigation coverage and subsequently many of the district's turf areas became stressed. Over the past few weeks diligent cleaning of the nozzles has improved turf conditions. Because the scale found in the irrigation system was different than anything encountered before (it was not similar to organic material such as algae or bryozoan present in seasons past), Absolute Natural Resources was contacted to test a sample to determine the sediment composition. The test results identified the scale as calcium carbonate deposits that have solidified in the irrigation system due to the high pH of the raw water in pond 17 and the pressure differential between the irrigation system and the pond. CoCal has indicated that the presence of calcium carbonate in the system has been decreasing, however monitoring of the problem will continue to occur and a water treatment solution involving injecting sulfuric acid into the mainline may need to be considered if the issue persists.
- ❖ Ash borer control and the first application of general insecticide with foliar fertilization for trees were completed on June 20, 2013.
- ❖ To date, two native mowings have been completed.

2012 Landscape Enhancement Warranty Replacements

- ❖ The punch-walk for missing warrantied landscape material planted in 2012 has been completed and replacement material is scheduled to be planted the week of July 10th.

2013 Landscape Enhancements

- ❖ Planting of approved landscape enhancements was completed the week of July 10th.

Entry Monument Lighting Issues

- ❖ The entry monument lighting retro-fit was completed in May.

Fence Staining

- ❖ Olson Painting completed Vista Parkway privacy fence staining on June 28th.

Other

- ❖ 11 phone calls and 7 e-mails from residents and 6 e-mails from the HOA Community Manager regarding maintenance issues were responded to.