

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF
HEATHER RIDGE METROPOLITAN DISTRICT NO. 1**

Held: Thursday, the 12th day of July, 2007, at 4:00 p.m. at 2685 S. Xanadu, Aurora, Colorado.

Attendance

A meeting of the Heather Ridge Metropolitan District No. 1 was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve on the boards, were in attendance:

Errol Rowland
Van Lewis
Vincent Roith
Mary Lou Braun

Jane S. Klein
Joan Beldock
Lee Eldredge

All director absences are deemed excused unless a contrary notation is recorded in these minutes. Also present was Joseph J. Lico, Esq, White Bear & Ankele, Professional Corporation, District General Counsel.

Call to Order

The meeting was called to order by Director Rowland.

**Quorum /
Qualifications**

Director Rowland noted a quorum was present and all directors present were qualified to serve.

Approval of Agenda

Director Beldock made a motion to approve the agenda and Director Klein seconded the motion. The motion passed unanimously.

**Approval of Minutes
of April 12, 2007
Meeting**

A motion was made by Director Roith and seconded by Director Beldock to approve the minutes of the June 14, 2007 meeting. The motion passed unanimously.

General items

Board Position

The Board discussed the resignation of Director Klein as secretary. Director Klein explained there was a misunderstanding and that she had no desire to resign. No further action was necessary.

**Golf Course
Ownership**

There was additional news on the ownership of the golf course. No further action necessary.

Change of Venue for
Regular meetings

The Board discussed a Resolution changing the location of regular and special meetings of the District to 2811 South Xanadu Way. This would save the District money as the HOA that owns the clubhouse will not charge the District to hold its meetings there. A motion was made by Director Klein to move the monthly regular meeting of the District to the clubhouse for Heather Ridge South at 2811 South Xanadu Way. Seconded by Director Lewis. The motion passed unanimously.

2007 Amended
Budget Hearing

Mr. Rowland opened a public hearing to amend the 2007 budget. No public discussion took place and the hearing was closed. Director Lewis identified and discussed the changes in legal fees, election costs, accumulation of election fees if no election was necessary, and the current budget. A motion was made by Director Lewis to approve the amended budget for 2007. Seconded by Director Beldock. The motion passed unanimously.

2008 Budget
Discussion

The Board discussed possible funding mechanisms for the 2008 budget. Director Lewis and Director Eldridge agreed to run the assessed values of properties within the District to determine what Mill Levy was necessary for the 2008 budget. Mr. Lico discussed the way the expenditures and funds are received. Ed Kay discussed approaching the various HOAs and seeking support for a Mill Levy. Two HOAs have supported the Mill levy/Tax approach to funding. Director Rowland noted HOAs are not contributing as a whole to the budget for the District. A number of homeowners voiced concerns over rising costs of water and snow removal fees that are imposed by their HOAs and that would prevent the HOAs from contributing. Mr. Lico advised the Board that a preliminary budget for 2008 must be filed by October 15. A motion was made by Director Lewis to proceed with certifying a Mill Levy for 2007 and 2008 for the sole purpose of covering operations and maintenance costs of the District. The motion was seconded by Director Beldock. The motion passed unanimously. The Board discussed the need to follow through with two public hearings to obtain public input on the proposed mill levy. The residents and homeowners will be notified of the meetings with post cards and information will include notification of an informal polling at the regularly scheduled meeting in October. The Board will then vote on whether to certify a mill levy after discussion in October.

Legal

Certification of Mill Levy

Mr. Lico reminded the Board that a mill levy could be imposed for 2007. Mr. Lico asked that someone obtain property values for the entire District to help ascertain how many will be needed to pay the anticipated costs.

Election Procedures

The District will mail post card notifications to property owners identifying the next two meeting dates as two dates for discussion of Mill Levy certification. The post card mailing will also include an announcement of the informal polling that will occur in October. A motion was made by director Rowland and seconded by Director Lewis to use this form of notification and polling. The motion passed unanimously.

Rules and Regulations/By laws

Director Lewis continues to work on the Rules and Regulations. No further action necessary.

Other Business

Pete Traynor voiced concern regarding the future golf course buyer and issues that may arise in traffic and congestion. This will need to be discussed with the City Planning Committee at the appropriate future time.

Adjourn

Motion made by Director Lewis to adjourn. Seconded by Director Beldock. The motion passed unanimously.

Next meeting is August 9, 2007 at 4 PM.



Secretary for the Meeting