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# BURGSIMPSON

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**COLORADO** 40 Inverness Drive East Englewood, CO 80112  
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April 15, 2010



Casey Laycock  
Division of Local Government  
1313 Sherman Street, Room 521  
Denver, CO 80203

**RE: Notice of Cancellation and Certified Statement of Results  
Clearwater Metropolitan District**

Dear Ms. Laycock:

Please find enclosed a copy of the Notice of Cancellation of the election scheduled on May 4, 2010 for the Clearwater Metropolitan District. I am enclosing the March 18, 2010 Resolution supporting the cancellation as requested.

Please let me know if you have any questions.

Sincerely,

**BURG SIMPSON  
ELDREDGE HERSH & JARDINE, P.C.**

  
Sylvia S. Stewart  
Paralegal

BKM/sss  
Enclosures

- |                       |                         |                         |                    |                    |                    |                        |
|-----------------------|-------------------------|-------------------------|--------------------|--------------------|--------------------|------------------------|
| Michael S. Burg       | William L. Simpson*     | Brian K. Matise         | Melanie S. Bailey* | Keith Jackson †    | Milward L. Simpson | <b>OF COUNSEL</b>      |
| Peter W. Burg         | Colin M. Simpson*       | Larry Jones*            | Jennifer L. Keel   | Maren P. Schroeder | 1897-1993          | Dale J. Coptan, P.C.   |
| Hon. Alan K. Simpson* | Chris Edwards*          | Calvin S. Tregre, Jr. † | Lauren M. DeLong † | Erica L. Kern †    | Joseph J. Branney  | Charles G. Kepler*     |
| Scott J. Eldredge     | Diane Vakedal Smith     | Steven D. Laman         | Daniel E. McKenzie | Clint C. Watson †  | 1938-2001          | Perry L. Goorman       |
| David P. Hersh        | David K. TeSelle        | Jeffrey Pederson        | Meghan Quintivan   | Russell W. Sinnett | Irwin L. Sandler   | Jerry R. Dunn          |
| Kerry N. Jardine      | Seth A. Katz            | Sarah Van Arsdale Berry | Stephen J. Burg    |                    | 1945-2006          | Michael J. Heydt       |
| Thomas W. Henderson   | Janet G. Abaray †       | Stephen M. Johnson      | Kevin M. Bemis     |                    |                    | <b>SPECIAL COUNSEL</b> |
| Holly Baer Kammerer   | John M. Restaino, Jr. ♦ | Max Yefimenko           | Reeves D. Whalen   |                    |                    | Steven G. Greenlee     |

*"Firmly Committed to Excellence"®*

**STATE LICENSES:** Arizona, California, Colorado, District of Columbia, Illinois, Maryland, Nebraska, New Mexico, New York, Wyoming.  
\*LICENSED only in Wyoming \*LICENSED only in Ohio †LICENSED in Ohio and Kentucky ♦LICENSED only in California

Contact Person for the District:

Brian Matisse  
(District Manager)

Telephone Number of the District:

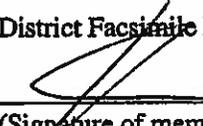
303-792-5595

Address of the District:

40 Inverness Drive East  
Englewood, CO 80112

District Facsimile Number: 303-708-0527

District e-mail: [bmatise@burgsimpson.com](mailto:bmatise@burgsimpson.com)

  
(Signature of member of the board of the directors of district)

4/12/2010  
(Date)

**NOTICE OF CANCELLATION OF REGULAR ELECTION  
BY THE DESIGNATED ELECTION OFFICIAL**

NOTICE IS HEREBY GIVEN BY THE Clearwater Metropolitan District, Elbert County, Colorado, that at the close of business on the sixty-third day before the election there were not more candidates for directors than offices to be filled, including candidates filing affidavits of intent to be write-in candidates; therefore, the election to be held on May 4, 2010 is hereby cancelled pursuant to §1-5-208, C.R.S.

The following candidates are declared elected:

Jeffrey Holmes	4 year term
Ryan J. Gerome	2 year term
Melissa Deal	4 year term
Allen Luke	2 year term
John W. Roberts	4 year term

By order of the Board of Directors of  
Clearwater Metropolitan District

/s/ K. Sean Allen  
Designated Election Official

Publish in: Elbert County News  
Publish on: April 22, 2010

**RESOLUTION  
BOARD OF DIRECTORS  
CLEARWATER METROPOLITAN DISTRICT**

**CONCERNING THE CANCELLATION OF THE 2010 ELECTION OF DIRECTORS**

**WHEREAS**, The Board of Directors of the District called an election for Directors of Clearwater Metropolitan District for May 4, 2010; and

**WHEREAS**, the Designated Election Official duly gave notice of the election and timely published notice of the election as required by law; and

**WHEREAS**, there were not more candidates for director than offices to be filled, including candidates filing affidavits to be write-in candidates; and

**WHEREAS**, pursuant to C.R.S. § 1-5-208(1.5), if the only matter before the electors in a nonpartisan election is the election of persons to office and if, at the close of business on the sixty-third day before the election, there are not more candidates than offices to be filled at the election, including candidates filing affidavits of intent, the governing body may, by resolution, direct the Designated Election Official to cancel the election and declare the candidates elected;

**NOW, THEREFORE, IT IS RESOLVED** by the District's Board of Directors that the Designated Election Official is directed to cancel the election of Directors of Clearwater Metropolitan District set for May 4, 2010 and declare the candidates elected.

**IT IS FURTHER RESOLVED** that the Designated Election Official shall publish a Notice of Cancellation and take such other action as required to comply with all applicable laws regarding said cancellation.

RESOLVED this 18th day of March, 2010.

BOARD OF DIRECTORS  
CLEARWATER METROPOLITAN DISTRICT

(S E A L)

By: \_\_\_\_\_

President

ATTEST:

By: \_\_\_\_\_

Secretary

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

CLEARWATER METROPOLITAN DISTRICT

Held: Thursday, February 11, 2010 at 4:00 P.M. at 40 Inverness Drive East, Englewood, Colorado

Attendance

The regular meeting of the Board of Directors of Clearwater Metropolitan District was called and held, as shown, in accordance with Colorado law. The following directors confirmed their qualification to serve on the Board:

Ryan Gerome  
Melissa Deal  
Alan B. Luke, II  
John Roberts

Director Jeffrey J. Holmes was absent and his absence was excused by the Board.

Also present were: Jennifer Gruber Tanaka, Esq., White, Bear & Ankele, Professional Corporation; Dawn Schilling, Schilling & Co., Inc.; Kammy Tinney and Connor Shepherd, Circuit Rider of Colorado, LLC; and Jeff Rabas, Ramey Environmental Compliance, Inc.

Call to Order

Mr. Gerome called the meeting to order.

Declaration of Quorum/Disclosures Potential Conflicts of Interest

of Mr. Gerome noted that a quorum of the Board was present and the of Directors confirmed their qualification to serve.

Approval of Agenda

Ms. Tanaka presented the Board with the agenda for the meeting and, upon motion of Mr. Gerome, seconded by Ms. Deal, the Board unanimously approved the agenda as amended.

Public Comment

There were no members of the public present at the meeting.

Minutes

Ms. Tanaka presented the Board with minutes from the December 10, 2009 special meeting. After review and discussion, a motion was made by Mr. Gerome, and seconded by Mr. Luke, to approve the minutes as presented and to ratify all actions taken at such meeting. The motion was approved unanimously.

**Financial Matters**

Approval of Claims (Period  
Ending February 10, 2010)

Ms. Schilling presented the Board with the claims in the amount of \$7,049.49 for the month of January 2010 for ratification. Upon motion of Mr. Gerome, seconded by Mr. Roberts, the Board unanimously ratified payment of the January 2010 claims. Ms. Schilling next presented the Board with the claims for the period ending February 10, 2010 in the amount of \$4,310.17. Upon motion of Mr. Gerome, seconded by Ms. Deal, the Board unanimously approved the payment of the claims in the amount of \$4,310.17.

Financial Statements

Ms. Schilling presented the financial statements to the Board and a list of delinquent accounts for outstanding fees due to the District. Upon motion of Mr. Gerome, seconded by Ms. Deal, the Board unanimously accepted the financial statements as presented.

Cross Diamond Electric

Ms. Tanaka reported that the current outstanding balance owed to Cross Diamond is \$40,859. The Board noted that it has approved monthly payments in the amount of \$5,000 to Cross Diamond Electric until the balance is paid in full, subject to the receipt of additional funds from North Pines Metropolitan District pursuant to the Lease Purchase Agreement between the parties. Ms. Tanaka will communicate this intent to Cross Diamond.

2008 Audit

Ms. Schilling reported that all items that were previously outstanding for the 2008 audit have been addressed, specifically the addition of the value of the District's water rights to the District's assets and noting the generator as a liability. Ms. Schilling noted that because the Board does not agree with the developer advances reflected in the audit, that the District can refuse to sign the client representation letter. Upon motion of Mr. Gerome, seconded by Mr. Luke, the Board unanimously accepted the 2008 audit, subject to minor final tweaks by Ms. Schilling. The Board declined to sign the client representation letter. Ms. Schilling will file the audit with the State Auditor.

Resolution Imposing  
Operations Fee

Ms. Schilling and Ms. Tanaka presented the Board with a resolution imposing an operations fee for consideration. Ms. Schilling noted that the additional \$25 per month per lot is necessary to balance the District's 2010 budget and without such fee the District would be in violation of the State budget law. The Board reviewed the costs associated with operating the District and the District's water system and noted that as many costs as possible have been cut in order to lower the impact on residents. The Board discussed other potential methods of lowering costs

and determined that, even given such actions (which the Board will continue to pursue), the fee is necessary in order to balance the budget. After review and consideration, upon motion of Mr. Jerome, seconded by Mr. Luke, the Board unanimously adopted the resolution and noted the additional fee shall be effective as of February 1, 2010.

### **Operations Report**

Report by Ramey  
Environmental Regarding  
District Operations

Mr. Rabas presented a report of his activities for the District for the past month. Mr. Rabas noted that one water sample was missed by the operator on call during the last month and, upon discovery of the missed sample, Mr. Rabas contacted the State and advised them of the issue. Mr. Rabas noted that the matter has been resolved with the State and the missed sample will be noted in the Consumer Confidence Report that will be sent to homeowners.

### **Legal Matters**

Operations Agreement with  
North Pines Metropolitan  
District for Coordinated  
Efforts

The Board discussed the possibility of coordinating consulting efforts with North Pines Metropolitan District in order to reduce consulting costs for both districts. The Board requested that management and legal consultants provide proposals for providing services to the districts in a manner that minimizes the costs to both districts. The Board requested that all proposals be submitted by the end of the following week for review and consideration. The Board will take action at the next meeting.

Resolution Calling May 4,  
2010 Election

Ms. Tanaka reported that the deadline for self-nomination and acceptance forms are due by February 26, 2010. Ms. Tanaka noted that because the current Board was appointed by the Board of County Commissioners, it is necessary to conduct the election completed rather than cancelling it. Ms. Tanaka will proceed with processing the election pursuant to the election resolution.

Provision of Water to  
Neighboring Communities

Ms. Tanaka reported that she contacted the manager for the Elkhorn Ranch homeowners' association to inquire into the possibility of providing water to the subdivision as an additional source of revenue for the District. Ms. Tanaka was advised that Elkhorn Ranch has a service agreement with the Arapahoe County Water and Wastewater Authority (ACWWA) and is not interested in such an arrangement.

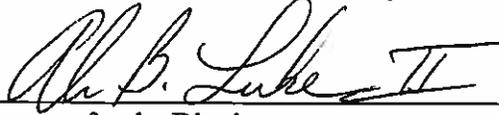
### **Other Business**

Next Meeting

The next regular meeting will be held on May 13, 2010 at 4:00 P.M.

Adjournment

There being no further business to come before the Board, upon motion, second and unanimous vote, the meeting was adjourned.

A handwritten signature in cursive script, reading "Al. B. Luke II", written in black ink. The signature is positioned above a horizontal line.

Secretary for the District