

# RECORD OF PROCEEDINGS

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## MINUTES OF A SPECIAL JOINT MEETING OF THE BOARDS OF DIRECTORS OF THE SERRATOGA FALLS METROPOLITAN DISTRICTS NOS. 1 AND 3 HELD APRIL 4, 2019

A Special Joint Meeting of the Boards of Directors of the Serratoaga Falls Metropolitan Districts Nos. 1 and 3 was held on April 4, 2019, at 10:00 a.m. at the offices of Spencer Fane LLP located at 1700 Lincoln Street, Suite 2000, Denver, CO 80203 and via teleconference. The meeting was open to the public.

### ATTENDANCE:

In attendance were Directors:

Jesse McDowell, President  
Byron Levkulich, Treasurer  
Kenneth Mitchell, Assistant Secretary

It was noted that there was one (1) vacancy on the Board of Directors of Districts Nos. 1 & 3.

Also in attendance were:

Matt Dalton, Spencer Fane LLP  
Stephanie Johnson, Bill Stopperan, and John Paul Williams,  
Centennial Consulting Group, LLC  
Jim Righeimer, Arbor Capital  
Anthony Vienna, Mosaic

### CALL TO ORDER:

Mr. Dalton noted that a quorum of each Board was present or participating, and called the meeting to order.

### DIRECTOR QUALIFICATIONS/ DISCLOSURES:

Mr. Dalton informed the Boards that the disclosure statements were filed with the office of the Secretary of State and are on record.

### AGENDA:

Approval of Agenda. Following review and discussion, Director McDowell moved that the Boards approve the Agenda as presented. Director Levkulich seconded, and the motion was unanimously approved.

### PUBLIC COMMENTS:

Director McDowell brought forth discussion that the farmer to the east of the property had requested to lease water from the District. There was discussion that the District would only be able to lease the canal water, and not water from Kitchel Lake.

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Following discussion, Director Levkulich made a motion to allow Director McDowell to negotiate a contract to lease the District's canal water from Windsor Reservoir Company, Larimer/Weld Reservoir Company, and Larimer/Weld Irrigation Company for a minimum of \$4,500 for the 2019 irrigation season. Director Mitchell seconded, and the motion was unanimously approved.

## **BOARD VACANCIES**

The Board discussed current vacancies. Mr. Dalton announced that Tony Vienna was interested in being appointed to the Board, and confirmed Mr. Vienna's qualifications to sit on the Boards of Directors. Following discussion, Director McDowell made a motion to appoint Tony Vienna to the Boards of Directors of Districts Nos. 1 and 3. Director Levkulich seconded, and the motion was unanimously approved. The Oaths of Office were administered.

## **EXTENSIONS OF CURRENT DIRECTOR CONTRACTS**

Mr. Dalton reported that all director contracts have been extended and signed.

## **REVIEW OF PRIOR MEETING'S MINUTES:**

Ms. Johnson reported that the minutes had not been included in the meeting packet for the Board's approval. The approval of the December 4, 2018 meeting minutes would be deferred to the next meeting.

## **FINANCIAL ITEMS:**

**Payment of Claims.** Mr. Stopperan presented the payment of claims from November 22, 2018 to April 3, 2019. Following review and discussion, Director McDowell made a motion to approve the payment of claims totaling \$12,433.34. Director Levkulich seconded, and the motion was unanimously approved.

**Financial Statements.** Mr. Stopperan presented the unaudited financial statements for the period ending February 28, 2019. Director McDowell made a motion to accept the unaudited financial statements. Director Levkulich seconded, and the motion was unanimously approved.

**2018 Audit Exemptions.** Following discussion, Director McDowell made a motion to ratify its approval of the 2018 application for audit exemption for Districts Nos. 1 & 3. Director Levkulich seconded, and the motion was unanimously approved.

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## LEGAL MATTERS

**Approval of Water Tap Fees.** Mr. Dalton reported that the 30-day notice had been posted according to statute. Following discussion, Director McDowell made a motion to approve the Joint Resolution of Districts Nos. 1 & 3 Concerning the Imposition of Tap Fees and Water Usage Fees. Director Levkulich seconded, and the motion was unanimously approved.

**Discussion of Amenity Center Fee.** Mr. Righeimer brought forth discussion that the developer charges a fee to the builder at closing for amenity reimbursement through an escrow account, but the fee was not paid through escrow on the first 57 lots. The developer requested that the District let the builder know that this is acceptable, and the builder will submit payment. Following discussion, it was determined that the District did not have authority in this matter, but agreed that they would send an email stating that it was not a District fee but could be paid to the Developer.

## DISTRICT MATTERS

### **Approval of Rules and Regulations for Kitchel Lake.**

Director Mitchell presented the Rules and Regulations for Kitchel Lake document, which would be supplemental to the Design Guidelines. It was discussed that the document would need to be updated with the legal name of the subdivision, a.k.a Kitchel Lake. The Board requested that St. Aubyn have an opportunity to review the Rules and Regulations prior to the Board approving the Rules and Regulations. Approval of this document would be deferred to a later meeting.

**Approval of Landscape Maintenance and Snow Removal Contract.** Ms. Johnson reported that Southern Exposure cancelled the contract for Landscape Maintenance and Snow Removal in Serratoga Falls Districts Nos. 1 & 3 due to not being awarded the District No. 2 contract. Ms. Johnson reported that she obtained a bid from Zak George Landscaping in the amount that had been previously approved for the 2019 Landscape Maintenance & Snow Removal budget. Following discussion, Director McDowell made a motion to approve the Zak George contract. Director Levkulich seconded, and the motion was unanimously approved.

## DEVELOPMENT AND CONSTRUCTION UPDATES

Director Vienna reported that 75% of the non-potable system had been installed, the utilities in Phase 1 was completed, paving operations would be completed within the week, the irrigation and landscaping would begin soon, the ditch repair was completed, and that 20 foundations were under way, with one (1) being framed. He also reported that 3-6 of those lots were under contract.

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## OTHER

Ms. Johnson brought forth concerns that Serratoga Falls District No. 2 had with the District's entrance area, specifically maintenance of the fence, trees, lights, culvert, etc. Management was directed to forward the list onto the Developer.

Director Mitchell reported that the residents of District No. 2 had expressed interest in taking over the entrance, if the entrance could be brought into a well-maintained area. He also reported that the District No. 2 residents have concerns that maintenance has been deferred over the past 5 years, which creates a negative relationship between District No. 2 residents and the developer.

There was discussion that District No. 1 should retain the entrance for at least another year, and as Filing No. 2 develops, upgrades at the entrance could be made at a more cost-effective price. The Board would like to defer further conversation about this until a later date.

## ADJOURNMENT

There being no further business to come before the Boards, upon motion duly made by Director McDowell, seconded by Director Mitchell, and unanimously carried, the meeting was adjourned.

Respectfully submitted,

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Secretary of the Boards