

# 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 DECEMBER 4, 2018

A Special Joint Meeting of the Boards of Directors of the Serratoga Falls Metropolitan Districts Nos. 1 and 3 was held on December 4, 2018, at 12:30 p.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, Secretary/Treasurer  
B. Joseph Leininger  
Kenneth Mitchell (via teleconference)

It was noted that there is currently two (2) vacancies on the Board of Directors of Districts Nos. 1 & 3.

#### Also in attendance were:

Matt Dalton, Spencer Fane LLP  
Stephanie Johnson and John Paul Williams, Centennial Consulting Group, LLC  
Bill Stopperan, Centennial Consulting Group, LLC (via teleconference)

### 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 amended to move the designation of officers to be completed following public comment, and to add approval of District contract for landscape & snow removal, and engagement contract for District accounting & management to the District Matters item of the agenda. Director Leininger seconded, and the motion was unanimously approved.

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## PUBLIC COMMENTS:

There were no public comments

## APPOINTMENT OF OFFICERS

The Board discussed the appointment of officers. Director Leininger made a motion to appoint Director McDowell as President. Director Mitchell seconded, and the motion was unanimously approved.

Director McDowell made a motion to appoint Director Leininger as Secretary and Director Mitchell as Assistant Secretary. Director Leininger seconded, and the motion was unanimously approved.

## BOARD VACANCIES

The Board discussed current vacancies. Mr. Dalton announced that Byron Levkulich was interested in being appointed to the Board, and confirmed Mr. Levkulich's qualifications to sit on the Boards of Directors. Following discussion, Director McDowell made a motion to appoint Byron Levkulich to the Boards of Directors of Districts Nos. 1 and 3. Director Mitchell seconded, and the motion was unanimously approved. The Oaths of Office would be administered to Mr. Levkulich within 30-days.

## REVIEW OF PRIOR MEETING'S MINUTES:

Director Leininger moved that the Boards approve the minutes from the meeting held on May 3, 2018. Upon second by Director McDowell, a vote was taken and the motion was unanimously approved.

## FINANCIAL ITEMS:

**Payment of Claims.** Mr. Stopperan presented the payment of claims from April 28, 2018 to November 21, 2018. Following review and discussion, Director Leininger made a motion to approve the payment of claims totaling \$38,234.08. Director McDowell seconded, and the motion was unanimously approved.

**Financial Statements.** Mr. Stopperan presented the unaudited financial statements for the period ending October 31, 2018. Director Leininger made a motion to accept the unaudited financial statements. Director McDowell seconded, and the motion was unanimously approved.

**Public Hearing on 2018 Budget Amendments.** The Board discussed the 2018 Budgets for Districts Nos. 1 and 3. It was determined that a budget amendment was necessary for District No. 3.

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Ms. Johnson reported that the required publication for the public hearing had been made. Director Leininger opened the public hearing. There being no public present to comment on the proposed budget amendment, the public hearing was closed.

**2018 Budget Amendment.** Mr. Stopperan presented the 2018 amended Budget for District No. 3 to the Board. The Board discussed and considered approving the Resolution to Amend the 2018 Budget. Following discussion, upon a motion made by Director Leininger, seconded by Director McDowell and unanimously carried, the Board approved the Resolution to Amend the 2018 Budget subject to final review.

**Public Hearing on Proposed 2019 Budgets.** Ms. Johnson reported that the required publication for the public hearing had been made. Director Levkulich opened the public hearing. There being no public present to comment on the proposed budget amendment, the public hearing was closed.

**2019 Budget Adoptions.** Mr. Stopperan presented the 2019 Budgets to the Board. The Board discussed and considered approving the Resolutions Adopting the 2019 Budget, Approving the Appropriation of Funds, and Authorizing Tax Levies to be certified by the District for collection in fiscal year 2019. Following discussion, upon a motion made by Director Leininger, seconded by Director McDowell and unanimously carried, the Board approved the Resolutions subject to final review.

There was discussion regarding meter installation fees, flat water fees, but charges for overages, monitoring of water being wasted, studies to measure overflow, inflow, seepage, usage, and evaporation. Management was directed to post a 30-day notice for the Board to set water tap fees.

**2018 Audit Exemption Application.** Following discussion, Director McDowell made a motion to engage the District's accountant to prepare the 2018 Audit Exemption Applications for the Districts Nos. 1 & 3. Director Leininger seconded, and the motion was unanimously approved.

**Engagement of Southern Exposure Landscaping.** Following discussion Director McDowell moved that the Board approve the contract for Southern Exposure Landscaping as the District's landscape and snow removal contractor. Director Leininger seconded, and the motion was unanimously approved.

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## **Engagement of Centennial Consulting Group, LLC.**

Following discussion Director McDowell moved that the Board ratify the engagement of Centennial Consulting Group, LLC as District Manager and Accountant for the Districts. Director Leininger seconded, and the motion was unanimously approved.

## **DISTRICT MATTERS**

**Worker's Compensation Exclusion Resolution.** Mr. Dalton presented the Worker's Compensation Exclusion Resolution to the Boards for review. Director Leininger moved that the Board approve the Resolutions as presented. Director McDowell seconded, and the motion was unanimously approved.

**Updates to Transparency Notices.** Following discussion, Director Leininger moved that the Board approve the updates to the transparency notices. Director McDowell seconded, and the motion was unanimously approved.

**2019 Annual Administrative Matters Resolutions.** Mr. Dalton presented the 2019 Annual Administrative Matters Resolutions to the Boards for review. Director Leininger moved that the Board approve the Resolutions as presented. Director McDowell seconded, and the motion was unanimously approved.

**Records Retention Resolutions.** Mr. Dalton presented the Records Retention Resolutions to the Boards for review. Director Leininger moved that the Board approve the Resolutions as presented. Director McDowell seconded, and the motion was unanimously approved.

## **LEGAL MATTERS**

### **Discussion of District Reconfiguration.**

Mr. Dalton reported that the Board may wish to consider discussion to have District No. 1 take over District No. 3. This discussion will continue over the next Board meeting. Management was directed to get a copy of the Advance & Reimbursement Agreement signed and over to legal counsel.

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## DEVELOPMENT AND CONSTRUCTION UPDATES

Mr. Mitchell reported that there were 50-75 homeowners ready to purchase in Phase 1 & 2 of project. He reported that they may be ready to have lots in Phase 5 ready to sell in late 2019 and homeowners in in 2020, there will be an entry monument installed on Prospect Road, streets in Phase 2, installation of curbs & gutters are within 30-90 days of installation in Phase 1, common area development of the irrigation and landscaping, so summer and fall there will be water bills, electricity bills, and maintenance for 2019. He also reported that the well pumps will pump at 700 gallons per minute and will be providing the water for Phases 1 & 2. It was determined that in the early stages of development, it would be more cost effective to deliver the water from the well pumps. As development moves north, the well pump will provide water to the lake and the lake will be where the water is delivered from. and was a break in the irrigation water line and it was unknown as to how the damage was done. He also reported that the final grading was being completed, and that they were waiting on additional dirt that was needed for the project.

## OTHER

Discussion was had regarding removal of the Xcel gas meter at the NW corner of Waterfall & Serratoga Falls Pkwy.

## ADJOURNMENT

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

Respectfully submitted,



Secretary of the Boards