

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
SERRATOGA FALLS METROPOLITAN DISTRICTS #1 & #3
HELD
March 11, 2015**

A special meeting of the Board of Directors of the Serratoga Falls Metropolitan Districts #1 & #3 was held on March 11, 2015, at 1:30 p.m. @ the offices of Spencer Fane Britt & Browne, LLP located at 1700 Lincoln Street Suite, 2000 Denver, CO 80202 and via teleconference. The meeting was open to the public.

ATTENDANCE

In attendance or participating via teleconference bridge were Directors:

Byron Levkulich; President
Mark Goldstein; Vice-President
Joseph Leininger; Secretary/Treasurer (via teleconference bridge)

Also in attendance were:

Matt Dalton - Spencer Fane Britt & Browne, LLP
Kurt Schlegel - Community Resource Services of Colorado
Jesse McDowell; RLH Holdings

CALL TO ORDER

Director Levkulich noted that a quorum of the Board was present or participating, and called the meeting to order at 1:30 p.m.

**DIRECTOR
QUALIFICATIONS/
DISCLOSURES**

Disclosure statements have been filed and are on record.

AGENDA

Approval of Agenda. Motion by Director Levkulich to approve the Agenda as presented. Upon second by Director Leininger, a vote was taken and the motion carried unanimously.

PUBLIC COMMENT

No public were present at this meeting.

RECORD OF PROCEEDINGS

REVIEW OF PRIOR MEETING'S MINUTES

Motion by Director Levkulich to approve the minutes from the Special Meeting held on December 8, 2014. Upon second by Director Leininger a vote was taken and the motion carried unanimously.

DIRECTOR'S ITEMS

Appointment of Replacement Director. A vacancy on the Board of Directors for Districts #1 & #3 has occurred as a result of a recent resignation. Mr. Dalton stated that the Notice of Vacancy has been posted as required. Motion by Director Levkulich to appoint Jesse McDowell as a Director effective immediately. Upon second by Director Goldstein a vote was taken and the motion passed unanimously;

Election of Assistant Secretary. Motion by Director Levkulich to elect Director McDowell as Assistant Secretary. Upon second by Director Goldstein a vote was taken and the motion passed unanimously.

FINANCIAL ITEMS

Ratification of December 2014 and January 2015 Claims: Mr. Schlegel reviewed a list of checks that were issued since the last meeting on December 8, 2014. These represent payments made in December 2014 with check numbers 1046 through 1049 totaling \$6,904.63, and payments made in January 2015 with check numbers 1051 through 1055 totaling \$27,429.88. Motion by Director Levkulich to ratify these payments. Upon second by Director Leininger a vote was taken and the motion passed unanimously.

Approval of February 2015 Claims: Mr. Schlegel presented the March Claims for payment and explained that the sequence of check numbers has changed since January 2015 due to the fact that the Chase checking account has been closed and all drafts are being drawn in the Key Bank account. After review Director Levkulich moved that the Board approve the claims presented for payment totaling \$6,473.68 represented by checks #1014-1017. Upon second by Director Leininger, a vote was taken and the motion carried unanimously.

Review of Cash Position and Financial Statements: Mr. Schlegel presented the District's Cash Position and Financial Statements dated January 31, 2015. There have been numerous Operations and Maintenance fees paid in February, as well as some tax distribution that will be reflected on the March 2015 statements.

RECORD OF PROCEEDINGS

2014 Audit Exemption: Mr. Schlegel presented completed 2014 Audit Exemption applications (SFMD #1 & SFMD #3) for the Directors to review and sign. Director Levkulich moved to adopt the Resolution as presented. Upon a second by Director Goldstein a vote was taken and the motion carried unanimously. Director Levkulich will obtain a majority of the Director's signatures on the documents and Mr. Schlegel will pick them up for submission to the State Auditor.

ATTORNEYS ITEMS

Records Request: Mr. Dalton briefed the Directors on a Records Request received from Deborah Early, SFMD #2's Attorney. Mr. Dalton and his staff will work to fulfill this records request however a majority of the documents requested are from 2006 and 2007 and may not be available.

Update on Debt Discussion: Director Goldstein stated that the discussions between the District #1 Board of Directors, District #2 Board of Directors, and the Bank are moving forward favorably.

Elko Water District: Director Goldstein stated that the Elko Water District has requested their desire to enter into an Intergovernmental Agreement (IGA) that would establish a Conservation Surcharge on irrigation use in excess of 70,000 gallons. Mr. Dalton will work with Director Goldstein and the Elko Water District to clarify their request and potentially develop an IGA.

MANAGER'S ITEMS

Delinquent Development Fees: Mr. Schlegel informed the Directors that all Development Fees have been collected and Development Fee Certificates have been issued. The question still exists as to how the Manager will know when a building permit has been issued by the Town so that Development Fees can be charged. Mr. Schlegel stated that he will continue to work with the Town of Timnath and if necessary contact them monthly for a status update.

Operations and Maintenance (O&M) Fees for 2015: Mr. Schlegel briefed the Directors on O&M payments received for 2015. A majority of property owners have remitted payment and only five (5) are delinquent, including two (2) that have not paid the last billing for 2014. Mr. Schlegel asked about the

RECORD OF PROCEEDINGS

imposition of a late fee in the event that a property owner fails to pay their assessment. The Directors spoke in favor of establishing a late fee and directed Mr. Schlegel to contact the Directors for SFMD #2 and request the establishment of a late fee, since District #2 has the responsibility of imposing the O&M fee. Mr. Schlegel will report back to the Directors regarding the request.

Landscaping Contract for 2015: Mr. Schlegel presented the four (4) quotes received for providing landscaping and grounds maintenance services in 2015. The four quotes received were reviewed and Director Levkulich moved to award the contract to Miller Landscaping. Upon second by Director Leininger a vote was taken and the motion passed unanimously. Mr. Schlegel will contact Miller for a signed contract.

Look Ahead Schedule for 2015: Mr. Schlegel presented a Look Ahead Schedule to the Directors that identifies due dates and timelines for deliverables and projects throughout the year. Mr. Schlegel also requested that the Directors forward any items they wish to include on the schedule.

District Utility Bills: Mr. Schlegel briefed the Directors on his progress associating electrical and natural gas billing invoices to physical locations within the District. The Directors requested that Mr. Schlegel contact the Town of Timnath regarding the possibility of the Town paying for street lighting in Serrataga Falls.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made, seconded and unanimously carried, the meeting was adjourned at 2:00 p.m.

Respectfully submitted,


Secretary for the Meeting