

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
SERRATOGA FALLS METROPOLITAN DISTRICTS #1 & #3
HELD
November 24, 2015**

A Special Meeting of the Board of Directors of the Serratoga Falls Metropolitan Districts #1 & #3 was held on November 24, 2015, at 9:00 a.m. @ the offices of Spencer Fane, 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 (via teleconference)
Joseph Leininger; Secretary/Treasurer
Jesse McDowell; Secretary Treasurer

Director Patsch was absent – excused

Also in attendance were:

Matt Dalton - Spencer Fane Britt & Browne, LLP
Kurt Schlegel - Community Resource Services of Colorado

CALL TO ORDER:

Director Levkulich noted that a quorum of the Board was present or participating, and called the meeting to order at 9:12 a.m.

**DIRECTOR
QUALIFICATIONS/
DISCLOSURES:**

Disclosure statements have been filed and are on record.

AGENDA:

Approval of Agenda. After review Director Levkulich moved that the Board approve the Agenda as presented. Upon second by Director Leininger, a vote was taken and the motion carried unanimously.

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REVIEW OF PRIOR MEETING'S MINUTES:

Director Goldstein requested that his status be corrected since he was in attendance at the last meeting. Director Levkulich moved that the Board approve the minutes from the Special Meeting held on March 11, 2015 as amended. Upon second by Director Leininger a vote was taken and the motion carried unanimously.

FINNCIAL ITEMS:

Ratification of Payments Made: Mr. Schlegel reviewed a list of checks that were issued to cover District expenses since the last meeting on March 11, 2015. These payments are represented by (Key Bank account) checks #1018 through #1046 totaling \$152,822.33. Director Levkulich moved that the Board ratify these payments made. Upon second by Director Leininger a vote was taken and the motion passed unanimously.

Approval of November 2015 Claims: Mr. Schlegel presented the current claims for payment represented by checks #1048-#1051 (check #1047 was voided) totaling \$12,455.85. After review Director McDowell moved that the Board approve the claims for payment as presented. Upon second by Director Leininger, a vote was taken and the motion carried unanimously. Mr. Schlegel stated that CRS will hold these checks until such time sufficient monies are available to cover current and future utility payments, as well as these expenses.

Review of Cash Position and Financial Statements: Mr. Schlegel presented the District's Cash Position and Financial Statements dated October 31, 2015. Mr. Schlegel stated that the District is running a very tight revenue / expense picture and that current fund balances require that these balances be closely monitored in order to meet current and future utility expenses. After review Director Leininger moved that the Board accept the Cash Position and Financial Statements as presented. Upon a second by Director McDowell, a vote was taken and the motion carried unanimously.

2016 Budget: Mr. Schlegel stated that the appropriate notice had been published and posted in order to conduct budget discussions and the associated Public Hearing. Mr. Schlegel reviewed the DRAFT budget with the Directors and discussed projected revenues based upon the preliminary assessed valuation by Weld County as well as projected expenditures for 2016. Mr. Schlegel also stated that he will need to verify the

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projected payments to be received from the Serratoga Falls Metropolitan District #2 (SFMD #2) in 2016, required by the current Intergovernmental Agreement (IGA) in order to determine projected expenditures for SFMD #1 in 2016. The Directors expect to have a new IGA in place with SFMD #2 sometime in January or February of 2016 so projected revenues and expenses will remain constant through that time period.

Director Levkulich moved that the Board open the Public Hearing at 9:20 a.m. Upon a second by Director McDowell, a vote was taken and the motion carried unanimously. No members of the public were present to comment on the proposed Budget.

Director Levkulich moved that the Board close the Public Hearing at 9:21 a.m. Upon a second by Director McDowell, a vote was taken and the motion carried unanimously.

Director Leininger moved that the Board adopt a Resolution approving the 2016 Budget, pending information and data exchange with the SFMD #2, for the Serratoga Falls Metropolitan Districts #1 and #3, Certify the MILL levies for the Districts, and Appropriate the funds required for operations in the Districts in 2016. Upon a second by Director Levkulich, a vote was taken and the motion carried unanimously.

ATTORNEY'S ITEMS:

SFMD #3 Inclusion Resolution: Mr. Dalton presented the Directors with a proposed Resolution that, if adopted, will include Tracts B, D, E, and F Serratoga Falls First Filing in Section 14 Township 7 North, Range 68 West of the Sixth Principal Meridian, Town of Timnath, County of Larimer, State of Colorado into the Serratoga Falls Metropolitan District #3. The required notice has been published and posted. After review Director Leininger moved that the Board adopt the Resolution as presented. Upon a second by Director McDowell, a vote was taken and the motion carried unanimously.

Finalize and Adopt a New IGA with the SFMD #2 / Cancel Existing IGA: Mr. Dalton briefed the Directors on the status of a new IGA with the SFMD #2. Discussions are ongoing and a new IGA may be ready for consideration in January of 2016.

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Termination of Developer Agreements and Prior Notes: Mr. Dalton briefed the Directors on discussions with the Attorney for the SFMD #2. The Directors discussed options available to them. Director Levkulich moved that the Board terminate all existing developer agreements and prior notes, pending the adoption of a current note. Upon a second by Director McDowell, a vote was taken and the motion carried unanimously.

Termination of Current Reimbursement Agreement: This item was tabled until a future meeting.

Potential Bond Discussion: The Board is discussing options for a possible bond issue that will provide approximately \$462,500 in funding for the District. This is dependent on a potential Service Plan amendment and new IGA with SFMD #2. Director Levkulich moved that the Board continue discussions with the SFMD #2 and their attorney regarding the proposed Service Plan Amendment and IGA. Upon a second by Director Leininger, a vote was taken and the motion carried unanimously.

MANAGER'S ITEMS:

2016 Annual Administrative Resolutions: Mr. Schlegel presented proposed Resolutions for both SFMD #1 and SFMD #3 to the Directors for their consideration. After review Director Leininger moved that the Board adopt the 2016 Annual Administrative Resolutions for the Serratoga Falls Metropolitan Districts #1 & #3, as presented. Upon a second by Director Levkulich, a vote was taken and the motion carried unanimously.

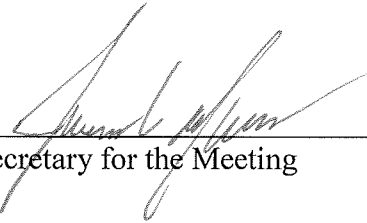
2016 Election Resolutions: Mr. Schlegel presented proposed Resolutions to the Directors that specify the requirements for an election, if needed, in 2016 for three (3) eligible Director positions. After review and discussion Director Leininger moved that the Board adopt the 2016 Election Resolutions for the Serratoga Falls Metropolitan Districts #1 & #3, as presented. Upon a second by Director McDowell, a vote was taken and the motion carried unanimously.

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ADJOURNMENT

There being no further business to come before the Board, upon motion duly made, seconded and unanimously carried, the meeting was adjourned at 9:45 a.m.

Respectfully submitted,



Secretary for the Meeting