

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1 HELD DECEMBER 11, 2017

A Special Meeting of the Board of Directors (referred to hereafter as the "Board") of the Fossil Ridge Metropolitan District No. 1 (referred to hereafter as the "District") was convened on Monday, the 11<sup>th</sup> day of December, 2017, at 5:30 P.M., at The Retreat at Solterra, 15260 W. Evans Avenue, Lakewood Colorado, 80228. The meeting was open to the public.

#### ATTENDANCE

##### Directors In Attendance Were:

Kathleen Kelley, President  
Tom Waterman, Vice President  
John Corbett, Treasurer  
Craig Brown, Secretary  
Terry Larson, Assistant Secretary

##### Also in Attendance Were:

Lisa A. Johnson and Lisa Jacoby; Special District Management Services, Inc.

Kelley Duke, Esq.; Ireland Stapleton Pryor and Pascoe, P.C.

Mark Chambers; Simmons & Wheeler, P.C.

Jennie Heinz; Overlook Property Management

See attached list for other attendees

#### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: Ms. Johnson advised the Board that, pursuant to Colorado law, certain disclosures may be required prior to taking official action at the meeting. The Board reviewed the Agenda for the meeting, following which, Directors Kelley, Waterman, McGraw and Corbett each confirmed that they had no conflicts of interest in connection with any of the matters listed on the Agenda. Director McGraw disclosed that he currently serves on the Solterra Patio Homes HOA.

#### EXECUTIVE SESSION

EXECUTIVE SESSION: Pursuant to Section 24-6-402(4)(b), C.R.S., upon motion duly made by Director Waterman, seconded by Director Brown and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in

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executive session at 5:37 p.m. for the purpose of receiving legal advice, as authorized by Sections 24-6-402(4)(b), C.R.S. Attorney Duke confirmed for the record that the executive session constitutes privileged attorney-client communications and will not be recorded.

The Board reconvened in regular session at 6:35 p.m.

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### AGENDA

**Agenda:** Ms. Johnson distributed for the Board's review and approval a proposed Agenda for the District's special meeting.

Following discussion, upon motion duly made by Director Kelley, seconded by Director Corbett and, upon vote, unanimously carried, the Agenda was approved as amended.

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### PUBLIC COMMENT

Randy Furst addressed the Board and asked why certain agenda items were removed.

Kevin Schaller addressed the Board and asked who has been paying for the work being done on Alameda. Mr. Schaller also commented that information related to the District is difficult to find on the website.

Linnea Hauser addressed the Board and asked who currently hold the contracts for construction of improvements and what information was used to prepare the 2018 budgets.

Gary \_\_\_\_\_ addressed the Board and asked if the District is planning to issue any new bonds.

Jerry Eaton addressed the Board and asked the Board what was included in the recent court order related to District No. 1 and how District No. 1 is able to take action.

Jim Baron addressed the Board and thanked them for their services and then asked if the Board was considering consolidating the Districts.

Kevin Clement addressed the Board and asked if a timeline for the preparation of a financial forecast has been discussed.

Ed du Bray addressed the Board and asked if the Board has considered amending its Service Plan.

The Board of Directors and Attorney Duke responded with comments to the questions posed by the community members.

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### CONSENT AGENDA

The Board considered the following actions:

- Approve Minutes of the October 16, 2017 Special Meeting, the November 7, 2017 Special Meeting and the November 19, 2017 Special Meeting.
- Ratify approval of the payment of claims in the amount of \$54,144.66.
- Ratify dissemination of public communications posted since November 7, 2017.
- Ratify approval of anticipated timeline for initial expansion of District No. 1 boundaries prior to May elections.
- Approve the 2018 SDA Property and Liability Pool insurance renewal.
- Ratify appointment of Kathleen Kelley, Craig Brown and Aaron Hochstein as the Legal Committee.
- Ratify appointment of John Corbett as the District No. 1 SDA Property & Liability Pool Alt. Representative.
- Ratify one-time waiver of Brookfield late fee of approximately \$550 on sewer bill.
- Approve Committee Reports.
- Ratify termination of a contract with Solitude for algae mitigation.

Following review, upon motion duly made by Director Corbett, seconded by Director Waterman and, upon vote, unanimously carried, the Board approved and/or ratified approval of, as appropriate, the above actions.

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### STATEMENT REGARDING PROSPECTIVE WORKING RELATIONSHIP BETWEEN DISTRICTS 1, 2, AND 3

Director Brown addressed the audience with a statement that all three District Boards are working diligently together on issues facing the Districts and there is no contention amongst any of them.

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### OLD BUSINESS

**Update Regarding Brookfield Dispute and Big Sky Lawsuit:** Attorney Duke reported that Brookfield has until January 2, 2017 to file an appeal to the District Court's November Order directing the appointment of Directors to District 1, and she will file an answer with the Court in the Big Sky lawsuit by December 20, 2017.

**Pond Warning Signs:** Director Larson presented proposals to purchase and install pond warning signs at the ponds and water feature on Yale and Indiana. Director Larson recommends approving the proposal from Image360 in the amount of \$768.34.

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Following discussion, upon motion duly made by Director Brown, seconded by Director Waterman and, upon vote, unanimously carried, the Board approved the proposal from Image360 for the purchase and installation of pond warning signs in the amount of \$768.34.

**2018 Board Meeting Schedule and locations for 72-hour posting of Meeting Notices:** The Board discussed the 2018 Board meeting schedule and locations for 72-hour posting of meeting notices.

The Board then discussed the cost to fabricate signs to post the meeting notices on.

Following discussion, upon motion duly made by Director Brown, seconded by Director Larson and, upon vote, unanimously carried, the Board approved the 2018 meeting schedule and locations of 72-Hour posting of meeting notices and the purchase of signs to post meeting notices on in the amount not to exceed \$429, and directed Ms. Johnson to draft a Resolution establishing 2018 meeting dates and posting locations for approval at the January meeting.

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### **NEW BUSINESS**

**2017 Audit:** The Board reviewed the proposal from Strategem to perform the 2017 Audit. Discussion ensued regarding the proposal.

Following discussion, upon motion duly made by Director Kelley, seconded by Director Waterman and, upon vote, unanimously carried, the Board approved the engagement of Strategem to perform the 2017 Audit, for an amount not to exceed \$3,795.

**Waiver of Conflict of Interest Related to YMCA Contract:** Attorney Duke presented the Board with a letter advising the Board of a conflict of interest related to her firm's review of the District's service agreement with the YMCA, and waiving the conflict of interest.

Following discussion, upon motion duly made by Director Brown, seconded by Director Larson and, upon vote, unanimously carried, the Board approved the waiver of conflict of interest letter and authorized President Kelley to execute the letter.

**Unaudited Financial Statements:** Mr. Chambers presented the unaudited financial statements for the period ending September 30, 2017.

Following review, upon motion duly made by Director Corbett, seconded by Director Kelley and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending September 30, 2017.

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**2018 Budget:** Upon motion duly made by Director Kelley, seconded by Director Waterman and, upon vote, unanimously carried, the Board opened the public hearing to consider the proposed 2018 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2018 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. There were no comments from the public in attendance and the public hearing was closed.

Mr. Chambers reviewed the estimated 2017 expenditures and the proposed 2018 expenditures with the Board.

Following discussion, the Board considered the adoption of a Resolution Summarizing Revenues and Expenditures For Each Fund, Adopting A Budget For The Year 2018, Levying General Property Taxes For The Year 2018 To Help Defray The Costs Of Government, And Appropriating Sums Of Money To The Various Funds In The Amounts And For The Purposes Set Forth Herein For The Fossil Ridge Metropolitan District No. 1, Jefferson County, Colorado, For The 2018 Fiscal Year Beginning On The First Day Of January 2018, And Ending On The Last Day Of December 2018. Upon motion duly made by Director Corbett, seconded by Director Kelley and, upon vote, unanimously carried, the Resolution was adopted, as discussed. Mr. Chambers was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Jefferson County and the Division of Local Government, not later than December 15, 2017. Ms. Johnson was authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2018. Copies of the adopted Resolution is attached to these minutes and incorporated herein by this reference.

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### **COMMITTEE REPORTS**

**Community Listening Session:** Director McGraw reported that the committee met on November 24, 2017. Approximately 40 people from the community attended. Feedback was positive. Answers to questions raised at the session are a work in progress. Next meeting is scheduled for January 20, 2018 at 10:30 a.m.

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### **OTHER BUSINESS**

**Fence Repair on Wesley:** Director Kelley presented the quote to repair the fence on Wesley. Estimated cost is \$700.

Following review, upon motion duly made by Director Corbett, seconded by Director Brown and, upon vote, unanimously carried, the Board approved the fence repair on Wesley in the amount of \$700.

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**Repairs to Gate on Gated Street:** Director Kelley presented an estimate of cost to repair the gate on the gated street. Residents on this street pay a fee each month to the District for the maintenance of the gate.

Following review, upon motion duly made by Director Kelley, seconded by Director Corbett and, upon vote, unanimously carried, the Board approved the repairs to the gate on the gated street.

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### **EXECUTIVE SESSION**

**EXECUTIVE SESSION:** Pursuant to Sections 24-6-402(4)(b), C.R.S., upon motion duly made by Director Kelley, seconded by Director Corbett and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 8:09 p.m. for the purpose of receiving legal advice, as authorized by Sections 24-6-402(4)(b), C.R.S. Attorney Duke confirmed for the record that the executive session constitutes privileged attorney-client communications and will not be recorded.

The Board reconvened in regular session at 8:45 p.m.

### **ADJOURNMENT**

There being no further business to come before the Board at this time, upon motion duly made by Director Kelley, seconded by Director Corbett and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By \_\_\_\_\_  
Secretary for the Meeting

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THESE MINUTES ARE APPROVED AS THE OFFICIAL DECEMBER 11, 2017  
MINUTES OF THE FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1 BY THE  
BOARD OF DIRECTORS SIGNING BELOW:

\_\_\_\_\_  
Kathleen Kelley

\_\_\_\_\_  
Tom Waterman

\_\_\_\_\_  
John Corbett

\_\_\_\_\_  
Craig Brown

\_\_\_\_\_  
Terry Larson

I hereby attest that the information communicated during both executive sessions,  
which were not recorded, constitute privileged attorney-client communications

\_\_\_\_\_  
Kelley B. Duke, Esq.

I hereby attest that both executive sessions, which were not recorded, were confined  
to the topics authorized for discussion in executive session pursuant to C.R.S. § 24-  
6-402(4)(b).

\_\_\_\_\_  
Kathleen Kelley, President