

RECORD OF PROCEEDINGS

MINUTES OF THE COMBINED REGULAR MEETING OF THE BOARDS OF DIRECTORS OF THE

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1 FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2 FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3

Held: Monday, August 30, 2021, 6:30 p.m.

Attendance

The combined regular meeting of the Boards of Directors of the Fossil Ridge Metropolitan District Nos. 1-3 was called and held at 6:30 p.m., as shown, in accordance with Colorado law. The meeting was conducted as a virtual meeting. Ms. Blair inquired whether any of the Board members had any potential conflicts of interest on matters coming before the board. Daniel Dominic of District No. 3 stated that he has filed a disclosure of a potential conflict of interest with the office of the Secretary of State, noting that he is the President of the HOA. There were no other conflicts disclosed. The following Directors were in attendance:

District 1:

Tom Waterman – President
Craig Brown – Vice President
Mike McCleary – Treasurer
Dave McGraw – Secretary
Terry Larson – Asst. Sec.

District 2:

Dave McGraw – President
Terry Larson – Vice President
Alan Plumhoff – Treasurer
Theodore Michelsen – Secretary
Tom Waterman – Assistant Secretary

District 3:

Craig Brown – President
Aaron Hochstein – Vice President
David Wilson – Treasurer
Daniel Dominic – Secretary
Mike McCleary – Assistant Secretary

Consultants:

Sue Blair, Senior Manager, Community Resource Services
Marcos Pacheco, District Manager, Community Resource Services
Mat Birkeness, Community Manager, Community Resource Services
Nancy Weiss, Community Manager, Community Resource Services
Christine McLeod, Haynie and Company, LLC

RECORD OF PROCEEDINGS

Others identified in attendance:

Gerry Reese
Libby Vernon
Ed du Bray
Tim Geier
Jim Cantrell
Gary Greaser
Peggy Waterman
Pete Hendel
Erin Iacino

Call to Order Quorums of the Boards were present, and the Directors confirmed their qualifications to serve. Ms. Blair confirmed that the meeting has been properly noticed. The meeting was called to order at 6:30 p.m.

Approve Agenda The Boards reviewed the meeting agenda. It was requested by Director Larson to add a discussion item related to retaining walls during the engineering report.

- District 1: Director McGraw moved to approve the agenda as amended. Upon a second by Director Brown a vote was taken, and the motion carried unanimously.
- District 2: Director Michelsen moved that the Board approve the agenda as amended. Upon a second by Director Waterman, a vote was taken, and the motion carried unanimously.
- District 3: Director Dominic moved that the Board approve the agenda as amended. Upon a second by Director Wilson a vote was taken, and the motion carried unanimously.

Public Comment Mr. Greaser asked what the position of the Board was related to posting financial documents on DOLA. He noted that when he checked, he could not find anything beyond 2017 documents. Ms. Blair noted that audits are no longer posted on DOLA. To obtain audits, you have to go to the office of the State Auditor. Next, he would like to talk about the board packets. He asked the board to consistently attach the packet to the emails. It was posted on SC, but in a different area than in the past. Page 38 of the board packet has to do with the mill levy and he believes it to be incorrect. Lastly, he doesn't understand why the chat feature is closed during meetings.

Consent Agenda

Consent Agenda Item 1-2

Director Michelsen (D2) noted a minor error in the minutes and would like to remove them from the consent agenda. The noted error is found in the public comment section. It was requested that CRS make the suggested change.

RECORD OF PROCEEDINGS

1. Approval of the payment of claims for the period ending August 24, 2021

- District 1: Director Larson moved that the Board approve the consent agenda. Upon a second by Director Waterman a vote was taken, and the motion carried unanimously.

After review of the amended minutes, the boards moved to approve the minutes of the July 12, 2021 meeting, as amended.

- District 1: Director Larson moved to approve the minutes as amended. Upon a second by Director Waterman, a vote was taken and the motion carried unanimously.
- District 2: Director McGraw moved to approve the minutes as amended. Upon a second by Director Michelsen, a vote was taken and the motion carried unanimously.
- District 3: Director Brown moved to approve the minutes as amended. Upon a second by Director Dominic, a vote was taken and the motion carried unanimously.

Legal Matters

There were none

Financial Items

Emergency Expenditure of Funds: Director Waterman (D 1&2) noted that this is not a resolution, but rather a ratification of \$1,963.12 for repairs. Three areas total make up this expense. One is the fuse for heating the pool which was \$655.00. Also, there was an igniter that relates to heating pool water, and this was \$847.00. Last, the post that separates the doors going into the fitness room, needed repair. Total for that was 460.00. With the pool, these repairs were needed expediently to keep the pool warmed to a proper temperature.

- District 1: Director McGraw moved to ratify the emergency expenditures related to the pool and door post, totaling \$1,963.12. Upon a second by Director Brown, a vote was taken and the motion carried unanimously.

Bond Compliance: Director Brown (D 1&3) reported we have a requirement to do certain compliance activities related to the new bonds. Over the last year, he, along with the finance committee, identified what is needed for bond compliance. There has been a tremendous effort by so many people and those compliance measures will be set in place and followed by the Boards.

Conduct a Public Hearing to Amend the 2020 Budget for District 2: Director

RECORD OF PROCEEDINGS

McGraw, as President of District 2, opened the public hearing at 6:48 p.m. Ms. Blair then reported on the enclosure and outlined the need for a budget amendment. With no public comment, Director McGraw closed the public hearing at 6:50 p.m.

- Director McGraw moved that the Board approve the Amendment the 2020 Budget. Upon a second by Director Waterman, a vote was taken, and the motion carried unanimously.

Review and Consider Approval of the 2020 Audit for District 2: Ms. McLeod, with Haynie & Co., was in attendance to present the 2020 audit for District 2. There were no questions from the Board.

- Director Michelsen moved to approve the 2020 Audit as presented. Upon a second by Director Larson, a vote was taken, and the motion carried unanimously.

Budget Variance Report for FRMD 1: Mr. Reese presented a proposal of a process that would allow for the Finance Committee to establish a report showing variances in the budget. There was extensive discussion surrounding this topic. After discussion, the Boards moved to accept the proposal as presented and format it, as discussed.

- District 1: Director Brown moved that the Board accept the proposal as presented. Upon a second by Director McGraw a vote was taken, and the motion carried unanimously.
- District 2: Director Michelsen moved that the Board accept the proposal as presented. Upon a second by Director Waterman a vote was taken, and the motion carried unanimously.
- District 3: Director Wilson moved that the Board accept the proposal as presented. Upon a second by Director McCleary a vote was taken, and the motion carried unanimously.

2021-22 Fee Schedule: Director Brown (D 1&3) reported that the fee schedule was reviewed by Legal Counsel in May, and approved by them. He outlined certain changes that have been included, as identified in Exhibit A. There is now language included that states unless an area is accepted by FRMD, Brookfield is financially responsible. Moving forward, there can be an adjustment to the fees without amending the entire document.

- District 1: Director McCleary moved that the Board approve the fee schedule, as presented. Upon a second by Director Waterman a vote was taken, and the motion carried unanimously.

RECORD OF PROCEEDINGS

- District 2: Director Waterman moved that the Board approve the fee schedule, as presented. Upon a second by Director Larson, a vote was taken, and the motion carried unanimously.
- District 3: Director Hochstein moved that the Board approve the fee schedule, as presented. Upon a second by Director Wilson, a vote was taken, and the motion carried unanimously.

Business Plan Update: Director Wilson (D3) provided an update on the business plan and asked that the Board accept the updates and also asked that it be posted to Solterra Connect. The Boards commended him for his work on this business plan. All three Boards approved this.

Finance Committee Candidates: Director McCleary (D 1&3) reported on the need for candidates to serve on the Finance Committee. He outlined the background requirements. There are currently two openings, but he is asking for resumes to be emailed to his District email address by October 1st.

FRMD 2022 Budget Process & Upcoming Budget Session September 22nd: Director Plumhoff (D3) reported on the upcoming budget process for the 2022 budget. In the past, we started a budget in June, for adoption in December. Those timelines will not change, but there will be a quarterly evaluation based on the variance reports, as discussed earlier in the meeting. The Boards asked questions and were provided with answers. There was extensive discussion surrounding the future and senate/house bills as they relate to the Districts

Review Look-Ahead Schedule: Ms. Blair reviewed the look-ahead schedule with the Boards and outlined upcoming important dates.

Operations and Maintenance (District 1)

Landscape Update: Mr. Hendel reported on different trees throughout the District that need to be replaced and when the replacements will take place. Trees typically aren't replaced in the summertime because evergreen trees need water year-round. Schultz recommended the evergreen trees be replaced in the Spring. There is also work that needs to be completed in the Fall. There was an included proposal to perform tree replacement/treatment. The proposal is just over \$34,000. If approved, this would leave about \$28,000 in the budget. The Committee will move forward with this work as it is within the approved budget. The Board did allow for Mr. Cantrell to ask questions regarding the tree replacements.

Engineer Update: Director Larson (D 1&2) amended agenda to discuss

RECORD OF PROCEEDINGS

approval of expenditures for evaluation of retaining walls. Part of the reserve study identified this as a potential need. There was discussion as to the need and how it will be funded. Director McCleary (D 1&3) noted that there is money available in the budget for this work. Without objection, the Boards directed Director Larson to move forward with the evaluation. Next, they continue to meet with Brookfield to consult about moving forward with the filings not yet approved to work toward approval. They are also looking at the pond and water feature. There were questions about the lights on McIntyre and Yale to which Director Larson noted that there is an electrical issue which is being worked on. Director Wilson (D3) asked if Director Larson thought that Brookfield is being cooperative and being held responsible and he responded back as he believes they are, even though some work happens slowly.

Retreat/Pool Update: Mr. Birkeness reported that there have been several events hosted at the Retreat. Fitness classes are still taking place on the patio. With seasonal changes, they will move inside as needed. The pool is checked on daily. The blown fuse was due to an improper install. After 13 years, it failed, but was replaced properly. The igniter went out because it was not inspected annually. Expenses have been minimal lately.

Community Activity Group Application: Director Waterman (D 1&2) reported that an application has been received by a group wishing to utilize the Retreat. He noted that the board encourages group use and encouraged the Board to consider the application. He then introduced Ms. Iacino. She thanked the Board for their time and consideration. She is a resident, and she is looking to establish an activity club that would hold events at the Retreat on the 4th Wednesday of every month. She outlined how they would plan events and noted that it would not overlap the Social Committees' efforts. The Boards asked several questions of Ms. Iacino to which she was able to provide answers.

- District 1: Director Brown moved that the Board approve the group application as presented. Upon a second by Director McGraw a vote was taken, and the motion carried unanimously.
- District 2: Director McGraw moved that the Board approve the group application as presented. Upon a second by Director Michelsen, a vote was taken, and the motion carried unanimously.
- District 3: Director Dominic moved that the Board approve the group application as presented. Upon a second by Director Hochstein, a vote was taken, and the motion carried unanimously.

RECORD OF PROCEEDINGS

Solterra-Connect Website Update: Director Michelsen (D2) reported that when first discussed, the webmaster was supposed to be a volunteer from the community. In the meantime, the person who is developing the website has offered to act as webmaster. He has attempted to come up with an understanding of the cost. Melinda is the name of the individual that runs the website for a similar community. She figures it would take around 5 minutes to post a notice, and another 5 minutes to archive older documents. Monthly, there are about 21 postings needed. The estimated cost could be \$2,430 a year on average. Director Michelsen asked Mr. Birkeness to estimate how much he charges. The first year will be an estimate. Melinda would cost about \$1,750 for a year. It would be wise to have only one person managing the content of the page. He asked the Boards to consider \$1,900 annually for webmaster and maintenance costs. This number would be well within the budget for this year. Director Michelsen then outlined several options on this website that allow for ease of use. There was extensive discussion surrounding rollout and the ability of the webmaster.

- Director McCleary moved that the Board assign Melinda as webmaster. Upon a second by Director McGraw a vote was taken, and the motion carried unanimously.
- Director Brown moved that the Board approve the website going live once the webmaster is in place and ready to do so. Upon a second by Director McGraw a vote was taken, and the motion carried unanimously.

2022 Board Meeting Schedule: Director Waterman (D 1&2) reviewed the proposed meeting dates. It will be included in the Annual Administrative Resolution, to be adopted at a future meeting.

Adjournment

There being no further business to come before the Boards, the meeting was adjourned at 9:26 p.m. by unanimous vote.

Respectfully submitted,


Secretary of the Meeting