

# RECORD OF PROCEEDINGS

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## MINUTES OF THE COMBINED SPECIAL 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, January 16, 2023, 6:30 p.m.

**Attendance** The combined special 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. Mr. Birkeness inquired whether any of the Board members had any potential conflicts of interest on matters coming before the board. There were no undisclosed conflicts. The following Directors were in attendance:

**District 1:**

Tom Waterman – President  
Craig Brown – Vice President  
David Wilson – Treasurer  
Dave McGraw – Secretary  
Terry Larson – Assistant Secretary

**District 2:**

Terry Larson – President  
Ted Michelsen – Vice President  
Al Plumhoff - Treasurer  
Gerry Reese – Secretary  
Tom Waterman – Assistant Secretary

**District 3:**

Aaron Hochstein – President  
Mike McCleary - Treasurer  
Greg Taylor – Assistant Secretary

Absent was Director Dominic and Director Amend, whose absence were excused. Director Hochstein moved to approve the absence of Directors Dominic and Amend. Upon second by Director Taylor a vote was taken, and the motion carried unanimously.

**Consultants:**

Mat Birkeness, Retreat Manager, Community Resource Services  
Marcos Pacheco, District Manager, Community Resource Services  
Kelly Duke, District Attorney, Ireland Stapleton

**Others identified in attendance:**

Richard Adams  
Libby Vernon

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Ed Du Bray  
Peggy Waterman  
Jim Cantrell  
G. Aga  
Neil Arney  
Chris Neuegbauer  
Terry Smith  
Bob Pries

**Call to Order** Quorums of the Boards were present, and the Directors confirmed their qualifications to serve. Mr. Birkeness confirmed that the meeting has been properly noticed. The meeting was called to order at 6:31 p.m.

**Approve Agenda** The Boards reviewed the meeting agenda.

- District 1: Upon a motion by Director Waterman to amend the agenda to include under legal matters: an update on Brookfield Lawsuit and in operation and maintenance matters to include: discussion of CRS contract. Director McGraw seconded the motion and a vote was taken and passed unanimously.
- District 2: Upon a motion by Director Michelsen to amend the agenda to include under legal matters: an update on Brookfield Lawsuit and in operation and maintenance matters to include: discussion of CRS contract. Director Plumhoff seconded the motion and a vote was taken and passed unanimously.
- District 3: Upon a motion by Director Hochstein to amend the agenda to include under legal matters: an update on Brookfield Lawsuit and in operation and maintenance matters to include: discussion of CRS contract. Director McCleary seconded the motion and a vote was taken and passed unanimously.

**Public Comment** No public comments were made.

**Consent Agenda** Approval of the Payment of Claims ending in January 10, 2023. Approval of the minutes of the Special Meeting. Review and approve the 2023 Administrative Resolution.

- District 1: Upon a motion by Director Waterman for approval the consent agenda and a Director McGraw second, a vote was taken, and the consent agenda passed unanimously.

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- District 2: Upon a motion by Director Larson for approval the consent agenda and a Director Michelsen second, a vote was taken, and the consent agenda passed unanimously.
- District 3: Upon a motion by Director Hochstein for approval the consent agenda and a Director McCleary second, a vote was taken, and the consent agenda passed unanimously.

## Operations and Maintenance Matters

Landscape Update: Mr. Birkeness reported the landscape and snow vendor is solely focused on snow removal currently. Similar to last year, dead plant material will be scheduled for removal in February. In the winter months the planning for 2023 planting season will begin.

Retreat and Community CRS Contracts Update: Director Waterman noted the contracts are in need of renewal, but are currently redundant and as such, proposed a new singular contract to be drafted for review. The board asked questions regarding how the contracts would be combined and extensive discussion occurred. The board concurred that it would be in the best interest to consolidate the contracts. Payment will also be retroactively made to CRS for the increased rates that are in line with the 2023 approved budget.

Retreat and Operations Update: Mr. Birkeness reported the busy holiday rental season has concluded at the Retreat. He also noted the district covered the expenses for the rental of long time Retreat host Mary Ellen for her celebration of life. Lastly, Mr. Birkeness noted the damage at Alameda and Indiana from a vehicle accident. He will be working with the drivers insurance company and the district engineer to remedy.

Engineer Update: Director Larson reported GMWSD has been negotiating on renewing the IGA. Both parties have agreed, pursuant to prior agreements, the sewer treatment will continue in perpetuity, if approved at a later date.

## Financial Matters

Engagement letters with Haynie regarding 2022 Audit: Director Plumhoff presented and discussed the cost associated to work with Haynie. A not to exceed value, roughly 16% greater than the previous year was provided. He also discussed a long-term agreement with Haynie has been discussed but not formally provided.

- District 1: Upon a motion by Director McGraw to approve the engagement with Haynie as presented, Director Waterman seconded, and a vote was taken and passed unanimously.

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- District 2: Upon a motion by Director Reese to approve the engagement with Haynie as presented, Director Plumhoff seconded, and a vote was taken and passed unanimously.
- District 3: Upon a motion by Director McCleary to approve the engagement with Haynie as presented, Director Taylor seconded, and a vote was taken and passed unanimously.

## Legal Matters

- Update on Brookfield Lawsuit: Director Waterman reported the developer (Brookfield) has filed a lawsuit against FRMD #1-3. On January 13<sup>th</sup> the district attorneys filed a partial dismissal against the claim. Brookfield's response is due February 3<sup>rd</sup>, 2023. Following the response the District can file a reply. More information once available will be posted to the district website: solterra-connect.com. Due to the complexity of the suit, residents will be referred to the district website until further notice. Director Wilson then asked a clarity question, that Kelly Duke responded to.
- Executive Session to receive advice of legal counsel regarding Brookfield's demand for bond repayment, GMWSD IGA agreement, and Conflict Waiver with Ireland Stapleton pursuant to C.R.S. 24-6-402(4)(b)
- District 1: Upon a motion by Director Waterman to enter into executive session, Director McGraw seconded, and a vote was taken and passed unanimously.
- District 2: Upon a motion by Director Michelsen to enter into executive session, Director Larson seconded, and a vote was taken and passed unanimously.
- District 3: Upon a motion by Director Hochstein to enter into executive session, Director Taylor seconded, and a vote was taken and passed unanimously.

The executive session was adjourned at 8:10pm by the districts as follows:

- District 1: Upon a motion by Director Waterman to adjourn the executive session, Director Brown seconded, and a vote was taken and passed unanimously.
- District 2: Upon a motion by Director Michelsen to adjourn the executive session, Director Plumhoff seconded, and a vote was taken and passed unanimously.

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- District 3: Upon a motion by Director Hochstein to adjourn the executive session, Director Taylor seconded, and a vote was taken and passed unanimously.

Upon returning to the public meeting the following actions were taken by the boards:

Engagement letter with Ehlers subject to final review and approval of legal counsel.

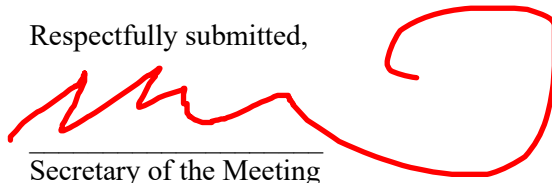
- District 1: Upon a motion by Director Brown to engage with Ehlers following the proper reviews, Director McGraw seconded, and a vote was taken and passed unanimously.
- District 2: Upon a motion by Michelsen to engage with Ehlers following the proper reviews, Director Larson seconded, and a vote was taken and passed unanimously.
- District 3: Upon a motion by Director Hochstein to engage with Ehlers following the proper reviews, Director McCleary seconded, and a vote was taken and passed unanimously.

Approve a conflict waiver with Ireland Stapleton:

- District 1: Upon a motion by Director Brown to approve the conflict waiver, Director Wilson seconded, and a vote was taken and passed unanimously.
- District 2: Upon a motion by Director Michelsen to approve the conflict waiver, Director Reese seconded, and a vote was taken and passed unanimously.
- District 3: Upon a motion by Director Hochstein to approve the conflict waiver, Director Taylor seconded, and a vote was taken and passed unanimously.

Meeting was adjourned at 8:22pm.

Respectfully submitted,



Secretary of the Meeting