

RECORD OF PROCEEDINGS

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, August 28, 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 held virtually via ZOOM meeting conferencing. Mr. Birkeness inquired whether any of the Board members had any potential conflicts of interest on matters coming before the board. There were no conflicts disclosed. The following Directors were in attendance:

District 1:

Tom Waterman – President
Dave McGraw – Vice President
David Wilson – Treasurer
Terry Larson – Secretary
Mike Walker - Asst. Secretary

District 2:

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

District 3:

Aaron Hochstein – President
Andrew Amend – Vice President
Mike McCleary – Treasurer
Greg Taylor – Secretary
Alana Bissonnette – Assistant Secretary

Consultants:

Mat Birkeness, Community Manager, Community Resource Services

Others identified in attendance:

Peggy Waterman
Nancy Reese
Terry Smith
Craig Knowlton
Anastasia Urban
Paul Bender

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720-951-0261

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. Director Bissonnette disclosed she is serving on the HOA board as well.

Public Comment Paul Bender asked the boards about covenant enforcement within the community. Specifically, the process and timeline for an issue to be resolved after a homeowner filing. Mr. Birkeness and Director Michelsen noted this is a question for the HOA and their management company. In addition, Director Bissonnette as an HOA board member as well, will be discussing the matter directly with the HOA management company.

Consent Agenda The Boards reviewed the meeting agenda. Director McCleary noted in the minutes from the July 17, 2023 meeting the funding for the gate house electric repair should be charged to the Reserve Fund.

- District 1: Director Waterman moved to approve the consent agenda as presented. Upon second by Director McGraw, a vote was taken, and the motion carried unanimously.
- District 2: Director Michelsen moved to approve the consent agenda as presented. Upon second by Director Plumhoff, a vote was taken, and the motion carried unanimously.
- District 3: Director Hochstein moved to approve the consent agenda as presented. Upon second by Director Taylor, a vote was taken, and the motion carried unanimously.

Financial Matters Update on 2024 Budget Expense Workshop:

Director Plumhoff reported the first public budget workshop on anticipated expenses for 2024 was held on August 22nd.

He notes: this far in advance of the end of the year the numbers were less precise than they will have to be as we get closer to final presentation. That uncertainty elicited concerns, as well it should. More important, however, was the discussion the particular items of financial uncertainty we face for 2024. Finance and the board will be watching those closely.

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The Finance committee is grateful to the board members who attended. We would like to have seen more attendance from our community. Maybe next time. And the next opportunity is approaching. An email to our community will go out this week announcing the 2nd workshop on anticipated revenues for 2024 on Thursday, September 14, via Zoom from 6:00 PM to 8:30 PM.

The Finance Committee has received the resignation of John White, one of our founding members. John's knowledge of governmental fund accounting has been invaluable in setting up our financial accounting structure and staying within the lines of generally accepted accounting standards. I hope the board will join the finance committee in thanking John for his long and significant service to our community.

Uncertainties

- Responsibility for landscape construction and maintenance of some areas of FRMD is in dispute. Resolution is uncertain.
- Our community is involved in litigation with the developer. The duration of the litigation is also uncertain.

2023 Q2 Financial Variance Reports:

Director Reese reviewed the summary variance narrative that addressed all three district's financial variance statements. All significant fund balances are trending positive on a pro-rata basis. The only material negative variance is the income portion of the District 1 Capital Projects Fund. Development fees have not been received as planned due to minimal construction of townhomes. The Finance Committee continues to closely monitor the 2023 Budget expenditures in all funds.

District 1: Director Wilson motioned to accept the reports as presented. Director Walker seconded the motion and carried unanimously to accept.

District 2: Director Plumhoff motioned to accept the reports as presented. Director Michelsen seconded the motion and carried unanimously to accept.

District 3: Director McCleary motioned to accept the reports as presented. Director Hochstein seconded the motion and carried unanimously to accept.

Proposition HH Resolution:

Mr. Birkeness noted the legislation item forthcoming in the November election and the impacts that could result in change if passed. He noted the resolution was drafted by SDA as SDA opposes this election item as currently written. Mr. Birkeness then answered questions from the board. Multiple board members asked for legal guidance and to table the subject until provided further information to be

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considered. Following the meeting, the legal committee will seek input from legal counsel.

Payables funding revision:

Following the July 17th board meeting, the payables were reviewed, and as part of the Gate House repair was determined to be part of the security project and as such funded by the Reserve Study.

Maintenance and Operations Matters

Landscape Update: Mr. Birkeness reported the status of projects within filings 1-12. Mr. Birkeness also noted the landscape vendor can be renewed at 7% in 2024 and no increase for 2025 if approved. The board provided Mr. Birkeness to proceed with getting the contracts written for consideration of approval. Mr. Birkeness also asked if Filings 13-15 should have landscape committee reviewing for budgeting purposes. The boards also advised Mr. Birkeness to proceed in researching those filings for budgeting.

Retreat and Pool Committee Chair appointment of Peggy Waterman: Mr. Birkeness noted the chair vacancy and current member Peggy Waterman offering to come forth as chair.

- Director Wilson moved to appoint Peggy Waterman as the new Committee Chair. Upon second by Director Walker, a vote was taken, and the motion carried unanimously.

Retreat and Community Update: Mr. Birkeness reported the August details of the Retreat events and ongoing projects. He noted the urinal in the pool restroom is likely to require replacement. Also, xcel will be providing a refund for the gate house electric repair miscommunication for \$1,800. Director Waterman asked about the status of the Gate House that was recently broken into. Mr. Birkeness noted a locksmith is scheduled.

Review of the Tributary Maintenance Contract for Water Quality Ponds

Director McGraw noted the previously approved emergency clearing and the opportunity for an Annual scheduled clearing to begin in 2024. The cost is \$43,880 and would need to be included into the 2024 budget. This item is deemed as a safety and health concern.

- Director McGraw moved to approve the proposal for 2024. Upon second by Director Larson, a vote was taken, and the motion carried unanimously.

Engineer Report: Director Larson presented the district has provided a letter to the developer regarding final acceptance of Orchard Park. He also noted filings 18 and 20 are to have townhomes constructed that are permitted with the City of Lakewood. Filings 18 and 20 will mimic the design of filing 19. Landscaping

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surrounding the townhomes in the common areas is underway. Director Reese noted the Pond B2 aeration units repair will be funded by the Reserve fund and should be investigated for insurance claim.

Consideration for Purchasing Food Truck signs: Director Hochstein noted a resident approached him for the idea. 6 signs in total would be fabricated for a cost of \$191. Extensive discussion over the topic was had. Other signs will be considered for purchasing in the future for other community items.

- Director McGraw moved to approved the purchase with a NTE of \$200. Upon second by Director Waterman, a vote was taken, and the motion carried unanimously.

Legal Matters

Litigation Update: Director Waterman noted there are two legal matters currently with Brookfield. Green Mountain Water and Sanitation has been added to the suit regarding EQRs for new construction. An update from the courts is scheduled for October 10, 2023. Other generalities of the suits were provided.

Second Public Comment

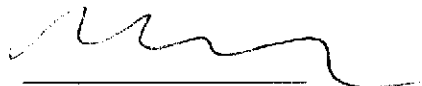
There was none.

Adjournment

There being no further business to come before the Boards, the meeting was adjourned at 7:56 p.m. as follows:

- District 1: Director Walker moved to adjourn. Upon second by Director Waterman, a vote was taken, and the motion carried unanimously.
- District 2: Director Reese moved to adjourn. Upon second by Director Plumhoff, a vote was taken, and the motion carried unanimously.
- District 3: Director Taylor moved to adjourn. Upon second by Director Hochstein, a vote was taken, and the motion carried unanimously.

Respectfully submitted,



Secretary of the Meeting