

**RECORD OF PROCEEDINGS
MINUTES OF THE SPECIAL MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
SEVERANCE SHORES METROPOLITAN DISTRICT NOS. 1 – 4
TOWN OF SEVERANCE, WELD COUNTY, COLORADO**

HELD: Monday, October 25, 2023, via Teleconference – (720) 386-9023, Passcode: 126412, and at Windsor Severance Fire Rescue, 9 Timber Ridge Parkway, Severance, CO 80550 as follows (or as shortly thereafter as possible):

Severance Shores Metropolitan District Nos. 1 & 3	12:30 pm
Severance Shores Metropolitan District No. 2	1:00 pm
Severance Shores Metropolitan District No. 4	1:30 pm

ATTENDANCE:

Special meetings of the Boards of Directors (collectively, the “Board”) of the Severance Shores Metropolitan District Nos. 1 – 4 (collectively, the “District”), were called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

In attendance were Directors:

Larry Buckendorf – President (Nos. 1 - 4)
Laura Ziegler – Secretary/Treasurer (Nos. 1 - 4)
Morgan Kidder – Assist. Vice-President/Secretary/Treasurer (Nos. 1 & 3)
Joseph Schumacher – Assist. Vice-President/Secretary/Treasurer (Nos. 1 & 3)
Adam Bliven – Asst. Vice-President/Secretary/Treasurer (Nos. 1 – 3)
Marissa Riopelle – Assist. Vice-President/Secretary/Treasurer (No. 2)
Garrett Crawford – Assist. Vice-President/Secretary/Treasurer (No. 2)
Kerry Davidson – Assist. Vice-President/Secretary/Treasurer (No. 4)
Melissa Williams – Assist. Vice-President/Secretary/Treasurer (No. 4)
Bernie Hansen – Assist. Vice-President/Secretary/Treasurer (No. 4)

Also present were:

Cathy Fromm and Megan VanCamp, Fromm & Company LLC
David S. O’Leary, Spencer Fane LLP
Several Members of the Public

CALL TO ORDER:

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Mr. Buckendorf called the meeting to order at 12:51 p.m., noted that a quorum of the Board was present, and confirmed qualification of the Directors to serve on the Board.

DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST:

Mr. O'Leary discussed the state law requirements for disclosure of potential conflicts of interest with the directors, noting that completed disclosure statements must be filed for each of the Directors with the Secretary of State and the Secretary of the District at least 72 hours prior to a meeting in which a potential conflict may arise. The Board noted that general disclosure statements had been filed on behalf of the members of the Board of Directors with the Office of the Colorado Secretary of State. Mr. O'Leary 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 they confirmed the contents of written disclosures previously made by the directors, stating the fact and summary nature of any matters, as required by Colorado law, to permit official action to be taken at the meeting.

APPROVAL OF THE AGENDA:

The Board reviewed the agenda. Upon motion duly made by Director Bliven, seconded by Director Buckendorf, and unanimously carried, the Board approved the agenda as amended. Mr. O'Leary reported that the meeting notice and agenda had been posted to the district websites at www.frommco.us/client-ssmd.html at least 24 hours prior to the meeting, pursuant to Statute.

ELECTION OF OFFICERS:

The Boards welcomed the new, residential board members. Mrs. VanCamp reported that all new board members had been added to the SDA profile for their respective districts and would be receiving all future SDA correspondence and notifications. Mr. O'Leary requested that the Board elect current officers for each Board. Discussion ensued. Upon motion duly made by Director Kidder, seconded by Director Schumacher, and unanimously carried, the Board approved the election of officers, as presented (see attendance).

APPROVAL OF MINUTES:

The Board reviewed the Minutes of the special meeting held on November 21, 2023. Upon motion duly made by Director Schumacher, seconded by Director Bliven, and unanimously carried, the Board approved the Minutes as presented.

PUBLIC HEARING ON DELINQUENT ACCOUNTS:

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Mrs. VanCamp reported to the District No. 1 Board that delinquent notifications had been transmitted out in the form of certified/return-receipt letters, to all residents who have a delinquent balance of at least six (6) months past-due, and \$150, pursuant to Sections 32-1-1101(1)(e) and 39-10-107, of the Colorado Revised Statutes. Mrs. VanCamp reviewed the list with the Board and responded to inquiries. Mr. O’Leary presented a Resolution to approve the certification of delinquent accounts. Discussion ensued. Director Buckendorf opened the public hearing, providing an overall summary of the number of delinquent accounts to the total number of properties, as follows:

267 Homes;	48 C/RR & Reg Mail Letters Sent;	40 Remain
\$40,106 – Delinquent	\$23,298 – Current	\$63,403 - Total

There was no further public comment on the delinquent accounts and the public hearing was closed. Upon motion made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board approved the Resolution to include an additional \$75 administrative fee and a \$30 certified letter fee for each certified account. Mrs. VanCamp reported that all remaining delinquent accounts would be certified to Weld County before the December 1st, 2023 deadline, for collection with the 2024 Weld County property taxes.

FINANCIAL ITEMS:

a. Payment of Claims. Mrs. Fromm presented the listing of district claims to be ratified to the District No. 1 Board, in the amount of \$425,155.51, represented by check numbers 1196 through 1238, and current listing of claims to be approved in the amount of \$15,661.16, represented by check numbers 1239 through 1243. Upon motion duly made by Director Kidder, seconded by Director Schumacher, and unanimously carried, the Board approved the payables for ratification and approval in the total amount of \$440,816.67.

b. Financial Statements. Mrs. Fromm presented the 08/31/2023 actual financial statement numbers with the 2024 proposed budgets.

c. 2022 & 2023 Audit Items. Ms. Fromm requested that the Board consider ratification of the 2022 Audits (District Nos 1 & 4). And Audit Exemptions (Nos. 2 & 3), noting that District Nos. 1 – 4 would all be requiring audits within the 2024 year. Upon motion made by Director Buckendorf, seconded by Director Schumacher and unanimously carried, the Board ratified the 2022 audits and audit exemptions as presented. Mrs. Fromm reported that the 2023 audits would be prepared by Haynie & Company, and that engagement letters would be provided for signature as soon as they had been received.

PUBLIC HEARINGS ON 2023 BUDGET AMENDMENTS AND 2024 BUDGETS:

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Mr. O'Leary noted that proper publication had been made in order to allow the District to hold public hearings on the 2023 Budget Amendments and 2024 Budgets. Upon motion made by Director Bliven, seconded by Director Crawford and unanimously carried, the public hearing on the 2023 Budget Meeting was opened. Members of the public presented some questions on the budget pertaining to the District and Water Fees, Mill Levies, Bonds and the Water Infrastructure System. Mr. Buckendorf noted that these items would be discussed in-depth after the business meeting, at the Annual Meeting. There being no further public comments, Upon motion made by Director Bliven, seconded by Director Crawford and unanimously carried, the public hearing was closed.

Mrs. Fromm presented the 2023 Budgets, noting that an Amendment will be needed in the Debt Service Fund for District No. 4. Upon motion made by Director Bliven, seconded by Director Crawford and unanimously carried, the Board approved the Resolutions amending the 2023 Budget and appropriating expenditures within the 2023 year in accordance with the amended budget proposed.

Upon motion made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board opened the public hearing for the 2024 Budgets. Mrs. Fromm also provided an overview of the adjustment for the Residential Assessment Rate and potential effects of Proposition HH and discussed the 2024 proposed budget with the Boards of Directors. Discussion ensued. Mr. O'Leary provided further explanation on Proposition HH, noting that the Budgets would need to be adjusted accordingly, depending on the outcome after the final certifications of valuation were provided from the County. Upon motion made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board approved the Resolutions to adopt the 2024 Budgets, certifying mill levies and appropriating expenditures within the 2024 year. Mrs. Fromm agreed to send out additional budgets and financials to requesting board members, noting that the final budgets would be posted to the District's website and the DOLA filing portal.

LEGAL ITEMS:

a. Updates to Residential Improvement Guidelines & Site Restrictions (RIGSR). Discussion ensued regarding the assessment of fines, enforcement and ongoing enforcement complaints, especially pertaining to parking, commercial vehicles, utility trailers and RV trailers. Mr. O'Leary agreed to work with the District No. 1 Board to revise the Rules, Guidelines & Restrictions accordingly. Upon motion duly made by Director Kidder, seconded by Director Bliven and unanimously carried, the Board approved the necessary amendments to the RIGSR as discussed. Members of the public expressed concerns pertaining to parking, landscaping and weeds maintenance, playsets, side/rear facing gates, and associated notices and fines. The Board requested that concerned residents form a committee and report back to the Board with changes that they would like to see. The District No. 1 Board agreed to work with legal counsel and management to prepare a water system operations and maintenance summary that will be posted to the District's website. Director Buckendorf again reported that these items would be discussed

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further at the ensuing Annual Meeting, to be conducted right after the business meeting was adjourned. Mr. O'Leary reminded residents that all improvements need to be submitted to Management for review and approval, before installing them. Additionally, Mr. O'Leary reported that there are clear Guidelines & Restrictions for these types of items located within the community Residential Improvement Guidelines & Site Restrictions (the "RIGSR"), which all residents have access to within their closing documents, and via the District's website. Mr. O'Leary also reminded residents that Special Districts are Title 32 entities and are not HOA's, and thus do not operate under CCIOA laws. Discussion ensued re landscaping maintenance and enforcement, to include a discussion pertaining to the Native Grasses and mowing, and the new Town requirements. Mr. O'Leary agreed to follow-up with the Town pertaining to the Native Grass Areas.

b. 2024 Administrative Matters Resolution. Mr. O'Leary presented the Resolution noting the engagement of all district consultants and transparency notice and promissory note updates. Upon motion made by Director Kidder, seconded by Director Bliven and unanimously carried, the Board approved the 2024 Administrative Matters Resolution as presented, naming Fromm & Company as the Manager & Accountant and Spencer Fane as the District's Legal Counsel.

c. Exclusion of Worker's Compensation Insurance. Mr. O'Leary requested that the Board approve the ongoing Waiver of Worker's Compensation. Upon motion made by Director Kidder, seconded by Director Bliven and unanimously carried, the Board approved the continual Waiver as requested.

d. Ratification of 2022 Annual Report. Mr. O'Leary presented the Report to the Board. Upon motion made by Director Kidder, seconded by Director Bliven and unanimously carried, the Board ratified approval of the Annual Report, as requested.

e. Trash Contract with RAM. Mrs. Fromm reported that Fromm & Company had gone out for bids on the trash services, and that RAM remained the most economical company for trash and recycling services, within the area. 2024 rates will be \$122.94, every 6 months. Upon motion duly made by Director Kidder, seconded by Director Bliven and unanimously carried, the Board approved the trash contract as presented.

f. Amendment to Website & Posting Resolution. Mrs. VanCamp reported that a new district website, hosted by Streamline, had been secured. The website includes all Senate Bill 21-262 Documents and will also be continually reviewed and updated to remain ADA accessible, and to comply with House Bill 2110. The new website address will be: <https://ssmd.specialdistrict.org>. Mrs. Fromm reported that the cost of the website was \$900 per year, and that the 2024 Budget would need to be updated to incorporate that additional expense. Mr. O'Leary requested that the Board consider approval of an amendment to the Online Posting Resolution, to include the new website address, and noted that the DOLA portal would also be updated accordingly. Upon motion

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duly made by Director Kidder seconded by Director Bliven and unanimously carried, the Board approved the Resolution as presented.

MANAGEMENT ITEMS:

a. District Communications & Software Update. Mrs. VanCamp reported that the new, eUnify software and Residential Portal had gone live, noting that residents would be able to view their invoices, transaction history, status of ARC requests, photos of violations, fines, etc....in addition to being able to make online payments and submit district inquiries. Discussion ensued re hostile and aggressive communications from residents, noting threats made against staff, and ongoing issues. Upon motion duly made by Director Kidder, seconded by Director Schumacher and unanimously carried, the Board agreed to permit Fromm & Company to secure and utilize additional safety items needed (such as signage, recording devices and dash cameras), for the enforcement of the Community, and to update the communications policies to disconnect any hostile and or threatening communications, to be reported to the local authorities, as deemed necessary. Mrs. VanCamp will transmit a community email to the residents, providing them with the necessary information for the eUnify Residential Portal, new Streamline Website, and summarizing the communication policies & procedures.

OTHER MATTERS:

There were none.

PUBLIC COMMENT:

Questions were received pertaining to the ongoing damages and issues associated with the Comcast project. Mr. Buckendorf reported that this was not a district approved project, and that residents would need to get ahold of Comcast to file their complaints. Mrs. VanCamp stated that she had contacts with the project and would continue to provide that information to residents who contacted Fromm & Company. Mr. Buckendorf also noted that the District would continue to follow-up with both the Town and Comcast, as needed. The Board discussed website postings and water provided for irrigation and the system, structure and how the water is provided to the community.

CONTINUATION/ADJOURNMENT:

There being no further business to come before the Board and upon motion duly made by Director Ziegler, seconded by Director Schumacher, and unanimously carried, the meeting was adjourned at 2:40 p.m.

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The foregoing Minutes constitute a true and correct copy of the Minutes of the above-referenced combined meeting and were approved by the Boards of Directors of the Severance Shores Metropolitan District Nos. 1 – 4.

Respectfully Submitted,



Secretary for the Meeting

The Annual Meeting ensued pursuant to Section 32-1-903(6)(a) C.R.S., to present the status of public infrastructure projects, outstanding bonds, and review of financial statements and budget. Public questions and comments were addressed and received. Additional items will be posted to the District's website to address public inquiries and concerns, to include the approval and posting of approved meeting minutes