

RECORD OF PROCEEDINGS

MINUTES OF THE COMBINED SPECIAL MEETING OF THE BOARDS OF DIRECTORS OF THE SEVERANCE SHORES METROPOLITAN DISTRICTS NOS. 1-4 TOWN OF SEVERANCE, WELD COUNTY, COLORADO

HELD: Thursday, November 21, 2022, at 2:30 p.m., 7251 20th Street, L-200, Greeley, CO
Via Teleconference – (720) 386-9023, Passcode: 126412.

ATTENDANCE:

A combined special meeting of the Boards of Directors (collectively, the “Board”) of the Severance Shores Metropolitan District Nos. 1 - 4 (collectively, the “District”) was 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 (District Nos. 1 – 4)
Laira Ziegler – Secretary/Treasurer (District Nos. 1 – 4)
Morgan Kidder - Assistant Vice-President/Secretary/Treasurer (District Nos. 1 & 3)
Joseph Schumacher - Assistant Vice-President/Secretary/Treasurer (District Nos. 1 & 3)
Marissa Riopelle – Assistant Vice-President/Secretary/Treasurer (District No. 2)
Garrett Crawford – Assistant Vice-President/Secretary/Treasurer (District No. 2)
Melissa Williams – Assistant Vice-President/Secretary/Treasurer (District No. 4)
Kerry Davidson – Assistant Vice-President/Secretary/Treasurer (District No. 4)

Director McAllister was absent; his absence was excused (District Nos. 1 – 4).

Also present were:

Cathy Fromm and Megan VanCamp, Fromm & Company LLC
David S. O’Leary, Spencer Fane LLP
Adam Bliven, Journey Homes
Makenzie & Clayton Cook – Members of the Public

CALL TO ORDER:

Mr. Buckendorf called the meeting to order at 2:32 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

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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 Schumacher, seconded by Director Buckendorf, and unanimously carried, the Board approved the agenda as presented. Mr. O'Leary reported that the meeting notice and agenda had been posted to the district website at www.frommco.us/client-ssmd.html, at least 24 hours prior to the meeting, pursuant to Statute.

ELECTION OF OFFICERS:

Discussion ensued. Upon motion by Director Kidder, seconded by Director Ziegler, and unanimously carried, the Board approved to keep Director Buckendorf on as Board President, Director Ziegler on as Secretary/Treasurer, and all other directors as Assistant Vice President/Secretary/Treasurer.

APPROVAL OF MINUTES:

The Board reviewed the Minutes of the special meeting held on November 18, 2021. Upon motion duly made by Director Buckendorf, seconded by Director Kidder, and unanimously carried, the Board approved the Minutes as presented.

PUBLIC HEARING ON DELINQUENT ACCOUNTS:

Mrs. VanCamp reported 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 for comments. Several members of the public asked questions about delinquent accounts, payment plans and certification process. Mrs. VanCamp agreed to follow-up with Mr. Buckendorf and Ms. Ziegler re ledge of account. Upon motion made by Director Buckendorf, seconded by Director Ziegler, and unanimously carried, the Board approved the Resolution for all accounts remaining unpaid, to include an additional \$75 administrative fee, to be transmitted to Weld County by the December 1st deadline.

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FINANCIAL ITEMS:

a. Payment of Claims. Ms. Fromm presented the listing of claims to be ratified and approved dated December 20, 2021, through October 20, 2022, in the amount of \$624,387.31, and represented by check numbers 01145 through 01193. Ms. Fromm presented the listing of claims dated November 21, 2022, to be approved in the amount of \$7,668.50, and represented by check numbers 01194 and 01195. Upon motion made by Director McAllister, seconded by Director Kidder and unanimously carried, the Board approved the payables as presented in the amount of \$632,055.81.

b. Financial Statements. Ms. Fromm presented the year-to-date financials dated September 30, 2022, to the Board, along with the 2023 draft budgets. Discussion ensued. Director Coombes requested that Ms. Fromm please email him the District No. 1 financials and bond documents. Upon motion duly made by Director Schumacher, seconded by Director Coombes, and unanimously carried, the Board accepted and approved the financial statements as presented.

c. 2021 and 2022 Audit Items. Ms. Fromm reported that District Nos. 2 & 3 filed audit exemption applications as required by statute, and audits for District Nos. 1 & 4, noting again that the same would be prepared in 2023 for the 2022 year. Upon motion made by Director Schumacher, seconded by Director Coombes, vote was taken, and motion carried unanimously to ratify and approve the 2021 exemptions and audits, and to engage Haynie & Company as the auditors for the 2022 audits.

PUBLIC HEARINGS ON 2022 BUDGET AMENDMENT AND 2023 BUDGETS:

Mr. O'Leary noted that proper publication had been made in order to allow the District to hold public hearings on the 2022 budget amendment and 2023 budgets. Upon Motion duly made by Director Ziegler, seconded by Director Schumacher and unanimously carried, the Board opened the public hearing. No public comment was received. Ms. Fromm presented the proposed 2022 budget amendment for District No. 4 and discussion ensued. Mr. O'Leary requested that the Board consider approval of both the 2022 Amendment and 2023 Budget Resolutions. Upon motion made by Director Ziegler, seconded by Director Kidder and unanimously carried, the Board approved the Resolution to amend the 2022 Budget and appropriate funds in accordance with that amendment. Upon motion made by Director Ziegler, seconded by Director Kidder and unanimously carried, the Board approved the 2023 Budgets, and the resolutions of the District to adopt the 2023 budgets, certify district mill levies and appropriate expenditures for the 2023 year as discussed and approved by the Board.

LEGAL ITEMS:

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- a. Amendments to Rules, Guidelines & Restrictions (RIGSR). Discussion ensued and questions were responded to. Ms. Ziegler and Mrs. VanCamp reported on updates. Ms. VanCamp reported that revised RIGSR would be posted to the website for public review. Upon motion made by Director Kidder, seconded by Director Buckendorf and unanimously carried, the Board approved the amendments to the RIGSR as presented.
- b. 2023 Administrative Matters Resolution. Mr. O'Leary presented the Resolution noting the engagement of all district consultants and transparency notice updates. Upon motion made by Director Kidder, seconded by Director Buckendorf and unanimously carried, the Board approved the 2023 Administrative Matters Resolution as presented, with Spencer Fane remaining on as legal counsel, and Fromm and Company remaining as the District's management and accountant.
- 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 Buckendorf and unanimously carried, the Board approved the continual Waiver as requested.
- d. Ratification of 2021 Annual Report. Mr. O'Leary presented the 2021 Annual Report for ratification. Upon motion made by Director Kidder, seconded by Director Buckendorf and unanimously carried, the Board ratified the 2021 Annual Report as presented.
- e. Resolution re 2023 Regular Election. Mr. O'Leary presented the resolution to the Board, noting that two (2), 3-year seats would be open at the May 2023 regular director's election. Upon motion made by Director Kidder, seconded by Director Buckendorf and unanimously carried, the Board approved the Election Resolution as presented.
- f. Updates to District Fees. Mrs. VanCamp reported on the need to clarify and potentially increase fines and fees. Discussion ensued. Upon motion made by Director Kidder, seconded by Director Buckendorf and unanimously carried, the Board approved fines (excluding watering fines) in the amount of \$50, \$100 and \$200. Watering fines will receive an immediate \$25 fine, followed by \$50, \$75 and \$100, with the understanding that courtesy notices would no longer be provided for watering violations. Mrs. VanCamp agreed to post the revised fine schedule to the District's website. Additionally, the Board agreed to implement a status letter preparation fee in the amount of \$40 per closing, for any duplicate request.

MANAGEMENT ITEMS:

Mrs. VanCamp noted that the Town of Severance had passed an ordinance to permit the residents

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to remove trees, and that replacement was no longer required. A revised notice of non-compliance was also presented. Discussion ensued pertaining to increasing hostilities and threats to management from residents. It was noted that Fromm & Company would respond to residents as much as possible through email, in order to maintain a paper trail of communications. If a telephone call is requested, Fromm & Company will return the call as long as the resident is not threatening or abusive to management staff. In such cases, the call will be disconnected, and all further communications will be returned to the resident through written and/or email communications. Mrs. VanCamp reported that trash service bids had been received by 4 other companies within the area for the 2023 year, and that RAM Waste Systems remained the most economic and cost-effective. Upon motion made by Director Kidder, seconded by Director Buckendorf and unanimously carried, the Board approved the 2023 trash and recycling contract with RAM Waste Systems as presented.

OTHER MATTERS:

Directors Kidder and Schumacher responded to board inquiries pertaining to the non-potable water system, fees, turn-on and turn-off dates, and water supply inquiries. Director Buckendorf agreed to follow-up with any resident or board member that had ongoing concerns.

PUBLIC COMMENT:

There was none.

ADJOURNMENT:

There being no further business to come before the Board and upon motion made by Director Kidder, seconded by Director Schumacher and unanimously carried, the meeting was adjourned at 3:52 p.m.

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