

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF SADDLER RIDGE METROPOLITAN DISTRICT

Held: Wednesday, April 21, 2021 at 11:00 a.m.

Due to Executive Orders issued by Governor Polis and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Public Health and Environment, and the threat posed by the COVID-19 coronavirus, the meeting was held via teleconferencing.

Attendance

The meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following directors were in attendance:

Gene Osborne
Andrew Dudley
Kenji Matsuda
John Notter

Director Jack Fatchett was absent. All directors' absences are deemed excused unless a contrary notation is recorded in these minutes.

Also present were: Ashley B. Frisbie, White Bear Ankele Tanaka & Waldron, Attorneys at Law, District Manager; Eric Weaver and Krista Koenig, Marchetti & Weaver, LLC, District Accountant; Beth Kelsey, Liberty Savings Bank; JR Osborne, C3 Construction Management Co., Inc. (for a portion of the meeting); and Dave Seidl, Clayton Gaunt, Kevin Steinke, and Jennifer Crawford, residents.

Call to Order/Declaration of Quorum

Ms. Frisbie noted that a quorum of the Board was present and the meeting was called to order.

Director Disclosures

Ms. Frisbie advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Frisbie reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Frisbie inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Approval of Agenda

The Board reviewed the proposed agenda for the meeting.

Following review, upon a motion duly made and seconded, the Board unanimously approved the agenda as presented.

Public Comment

Mr. Seidl expressed concern about the lack of enforcement of the District's Residential Rules & Regulations. Director Osborne explained that the Board will be considering the engagement of Teleos Management Group to provide covenant enforcement services for the District, and that this matter is on the agenda under Legal Matters.

Mr. Gaunt informed the Board that there is an ongoing issue with vehicles speeding on Branding Iron Drive, and he expressed concern that it will get worse as development grows. He inquired about the potential of having the District install speed limit signs and/or speed bumps. Director Osborne thanked Mr. Gaunt for the information and noted that the Board will look into this matter.

Director Notter noted that there have still been issues with the District's snow removal contractor pushing large amounts of snow in front of homeowner's driveways. Mr. Seidl agreed and noted that some sprinkler heads were also torn up on the tree lawn near his home.

Ms. Crawford reported that there has been some interest from residents in allowing chickens. Director Osborne noted that the Board will look into this matter.

Ms. Crawford informed the Board that there has been concern about wastewater pumps not working when the power is out in the community. Director Osborne reported that the wastewater treatment plant does have a backup generator; however, the process for connecting to the generator during power outages does need to be confirmed.

Consent Agenda

The Board was presented with the consent agenda items. Upon a motion duly made and seconded, the Board unanimously took the following actions:

- a. Approved Minutes from November 18, 2020 meeting
- b. Ratified 2020 Annual Report
- c. Approved Amended and Restated Public Records Request Policy
- d. Approved Renewal of Independent Contractor Agreement with Foothills Landscape Maintenance for Landscape Maintenance Services

Financial Matters

Financials/Payables

Mr. Weaver presented the March 31, 2021 unaudited financial statements to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the unaudited financial statements. Mr. Weaver noted that Liberty Savings Bank has requested that Marchetti & Weaver, LLC prepare a financial forecast for the District with regard to future developer funding.

Mr. Weaver presented the payables, dated April 14, 2021, to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified and approved the payables, subject to final approval of the invoice from North Weld County Water District (“NWCWD”) for the installation of water meter vaults.

2020 Audit

Mr. Weaver presented the Board with the 2020 Audit. Mr. Weaver noted that the auditor is prepared to issue a clean, unqualified opinion, which is the best opinion that can be given.

Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the 2020 Audit, subject to final legal review.

Third Amendment to Funding and Reimbursement Agreement (Operations and Maintenance) between the District and Liberty Savings Bank, F.S.B.

The Board reviewed the Third Amendment to the Funding and Reimbursement Agreement (Operations and Maintenance) between the District and Liberty Savings Bank, F.S.B.

Following discussion, upon a motion duly made and seconded, the Board unanimously approved the amendment.

Second Amendment to Funding and Reimbursement Agreement (Wastewater Enterprise) between the District and Liberty Savings Bank, F.S.B.

The Board reviewed the Second Amendment to the Funding and Reimbursement Agreement (Wastewater Enterprise) between the District and Liberty Savings Bank, F.S.B.

Following discussion, upon a motion duly made and seconded, the Board unanimously approved the amendment.

Legal Matters

Long Term Maintenance of Weld County Road 19 (“WCR 19”)

Director Osborne provided an update on the long term maintenance of WCR 19, noting that Nickel Road Operating has moved their drill site to an alternate location and no longer needs access to WCR 19. As such, they will not be providing any road maintenance assistance to the District. Director Osborne noted that WCR 19 is not paved at this time, and will need future improvements and continuous maintenance. No action was needed by the Board at this time.

Future Development of Saddler Phase 2b and Saddler Southern

Director Osborne provided the Board with an update on current development, noting that Liberty Savings Bank is under contract to sale on some of the lots in Saddler Phase 2b and negotiations with a builder have begun for the sale of lots in Tracts 9 and 10. Director Osborne noted that there has not been any activity in Saddler South at this time. No action needed was needed by the Board at this time.

District Management Services

Director Osborne discussed the scope of the District's management services with the Board, noting that the District would benefit from having an onsite presence for covenant enforcement and design review oversight. Director Osborne recommended that the Board consider engagement of Teleos Management Group to provide such services.

Following discussion, upon a motion duly made and seconded, the Board unanimously approved the engagement of Teleos Management Group to provide covenant enforcement and design review services and to retain White Bear Ankele Tanaka & Waldron for other management responsibilities.

Operations and Maintenance Matters

Update on Wastewater Treatment Plant

Director Osborne provided the Board with an update on the Wastewater Treatment Plant, noting that there have not been any recent issues and that the plant receives ongoing maintenance once per week.

Update on eOne Pumps

Director Osborne provided the Board with an update on the District's eOne Pumps, noting that there are extra eOne Pumps available.

Update on Construction Matters

Multi-Family Infrastructure Project

There was no update at this time.

Construction of Tracts 7 and 8

There was no update at this time.

Update on Installation of Water Meter Vaults

Director Osborne reported that the previous developer for the District did not have water meter vaults installed, and that NWCWD is now requiring installation. Mr. JR Osborne reported that he has been trying to work with NWCWD to have this issue resolved for over 3 years. It was noted that in November of 2020, NWCWD provided a cost estimate of \$68,000 for the purchase and installation of the water meter vaults; however, NWCWD has since indicated that a calculation error was made when NWCWD first provided the cost estimate, and the total cost will now be \$118,000.80.

Following discussion, upon a motion duly made and seconded, the Board unanimously approved the invoice and work.

Mr. Weaver reported that a request for a developer advance to cover this cost has been submitted to Liberty Savings Bank. Mr. JR Osborne informed the Board that he will coordinate with NWCWD on installation and noted that the District will need to ensure water rates have been revised appropriately after installation.

Update on Lot Sales

This update was provided above under Legal Matters.

Update on Pond Maintenance

There was no update at this time.

2021 Landscape Maintenance Services

There was no discussion at this time.

Update on Fence Replacement

Ms. Frisbie provided an update on the fence that was damaged by a fire on adjacent property to the north of the District in October of 2020, noting that the fence was repaired by an unknown party and that no fence repair work was performed by the District. Bonnell Fencing Services, Inc. inspected the repaired fence and indicated that the fence was installed in accordance with industry standards.

Other Business

Director Notter inquired about the repair of cracks in the pavement. Mr. JR Osborne indicated that some repairs were made, and requested that pictures and locations of any additional cracks needing repair be sent to him.

Adjourn

There being no further business to come before the Board, and upon motion duly made, seconded, and unanimously carried, the meeting was adjourned.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.


Secretary

The foregoing minutes were approved on the 11th day of August, 2021.