

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

Held: Wednesday, November 17, 2021 at 11:00 a.m. at 9 Timber Ridge Parkway, Severance, CO and via teleconference

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  
Kenji Matsuda  
Dave Seidl

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; JR Osborne, C3 Construction Management Co., Inc.; Andy Wakkinen, Envision Homes (for a portion of the meeting), Tiffany Farner-Hirsch, resident; and Cori Bateman, resident (for a portion of the meeting).

Also present (*via* teleconference) were: Trisha K. Harris, White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel (for a portion of the meeting); Eric Weaver and Krista Koenig, Marchetti & Weaver, LLC, District Accountant (for a portion of the meeting); Angela Elliott, Teleos, LLC, Covenant Enforcement Manager; Beth Kelsey, Liberty Savings Bank ("LSB"); Jake Pault and Julian Bateman, residents; and Michelle McCartney, resident (for a portion of the meeting).

Call to Order/Declaration of Quorum

Director Osborne 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 amended to move Director Matters after Operations & Maintenance Matters.

### Public Comment

Ms. Farner-Hirsch introduced herself to the Board and inquired about the covenant violation letter she had received with regard to a commercial vehicle parked outside of her home, noting that this vehicle is a required work vehicle for her household. Ms. Farner-Hirsch noted that she felt as though she was being personally targeted for the violation. Ms. Elliott explained that Teleos, LLC is enforcing the District's Residential Rules and Regulations (the "Rules") and individual violation letters are not intended to be a personal attack on any residents.

Ms. McCartney introduced herself to the Board and indicated that she also had a work vehicle that was kept outside of her garage and would like to see the District's Rules amended to allow for work vehicles. The Board and residents discussed the intent of the commercial vehicle rule, and Director Osborne noted that the intent of the rule is not to prohibit homeowners from parking their required work vehicles at their home. It was noted that the District's Rules must be uniform and consistent for all homeowners.

The Board and residents discussed the District's Rules generally and determined to appoint Director Seidl as the representative who will solicit comments from the residents with regard to proposed changes to the Rules. Once public comments have been received, legal counsel will provide a proposed amendment to the Rules for the Board's review, which will include language to further define the definition of a "commercial vehicle", to provide allowance for work vehicles.

Ms. Elliott noted that trash totes are supposed to be hidden from view and that this rule is routinely violated by homeowners.

Director Osborne provided an update on ongoing items, including water issues with North Weld County Water District ("NWCWD"), plat issues with the Town of Severance (the "Town"), installation of a pump station to satisfy NWCWD requirements, and the leaking pond.

### 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 August 11, 2021 meeting
- b. Approved Renewal of Property and Liability Schedule and Limits, Workers Compensation Coverage, and SDA Membership
- c. Approved Second Addendum to Independent Contractor Agreement with Ramey Environmental Compliance for ORC and Professional Operational Services
- d. Approved Second Addendum to Independent Contractor Agreement with Foothills Landscape Maintenance for Landscape Maintenance Services

## Financial Matters

### Financials/Payables

Mr. Weaver presented the payables, dated November 1, 2021, to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the payables.

### Conduct Public Hearing on 2021 Budget Amendment and Consider Adoption of Resolution Amending 2021 Budget

The public hearing for the 2021 Budget Amendment was opened. Ms. Frisbie noted that notice for the public hearing was made in accordance with the applicable Colorado statutes. No written objections were received prior to the public hearing. After no public comment was made, the public hearing was closed.

Mr. Weaver presented the Board with the amended 2021 Budget for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution amending the 2021 General Fund to \$359,539, the 2021 Capital Fund to \$171,501, and the 2021 Enterprise Fund to \$183,496.

### Conduct Public Hearing on 2022 Budget and Consider Adoption of Resolution Approving 2022 Budget

The public hearing for the 2022 Budget was opened. Ms. Frisbie noted that notice for the public hearing was made in accordance with the applicable Colorado statutes. No written objections were received prior to the public hearing. After no public comment was made, the public hearing was closed.

Mr. Weaver presented the Board with the 2022 Budget for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution adopting the 2022 Budget, appropriating funds therefore, and certifying 15.943 mills in the General Fund and 47.828 mills in the Debt Service Fund, subject to receipt of the final assessed valuation and adjustments as necessary.

### Amendment to the Resolution Concerning the Imposition of Fees

The Board reviewed the Amendment to the Resolution Concerning the Imposition of Fees. Mr. Weaver provided a summary of the proposed fee increases to the Board.

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

Engagement of Haynie & Company to Perform 2021 Audit

Mr. Weaver presented the Board with the Engagement Letter from Haynie & Company to perform the 2021 Audit, noting that there is a \$300 fee increase from the prior year.

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

### Legal Matters

2022 Annual Administrative Resolution

Ms. Frisbie presented the Board with the 2022 Annual Administrative Resolution. The Board determined to schedule regular meetings in 2022 on the third Wednesday of odd numbered months at 11:00 a.m.

Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution, as amended.

Resolution Calling May 2022 Election

Ms. Frisbie presented the Board with the Resolution Calling May 2022 Election.

Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution and determined to post notice of the Call for Nominations on the District's website, in addition to the statutory requirement to email/mail.

Memorandum Regarding Metropolitan District and Homeowners Association Regulations of Free Speech

Ms. Frisbie presented the Board with the Memorandum Regarding Metropolitan District and Homeowners Association Regulations of Free Speech. Following discussion, the Board directed legal counsel to include proposed changes in the amendment to the Rules.

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 continues to require the use of WCR19, so they have been providing road maintenance assistance. No action was needed by the Board at this time.

Future Development of Saddler Phase 2b and Saddler Southern

Director Osborne provided an update, noting that development has been on hold as water availability from NWCWD is infringing on development of the tracts; however, he will continue to work with NWCWD on this issue as it is imperative that development occur so the District can be self-sufficient.

### Management Matters

Management Report

Ms. Elliott presented her Management Report to the Board.

Commercial Vehicle Parking

This matter was discussed above under Public Comment.

Operations and Maintenance Matters

Update on Repair and Remodel of Pond

Mr. JR Osborne provided an update on the repair and remodel of the pond, noting that it appears that the bottom of the pond was not lined. The proposed rehabilitation plan will include either a new seal or the installation of a drain. Director Seidl noted that it would be nice if the pond could be cleaned up to remove noxious weeds and plant material and turned into a nice centerpiece with a greenbelt, as it is the focal point of the community. Mr. JR Osborne reported that he is working to have a plan available for the Board at the next meeting.

Update on Installation of Water Meter Vaults

Mr. JR Osborne provided an update, noting that the District has paid NWCWD for the water meter vaults; however, NWCWD has not responded to the District’s requests for updates nor provided any update on installation.

Update on Wastewater Treatment Plant

Mr. JR Osborne reported that the plant is doing well and has not had any major issues.

Update on eOne Pumps

Director Osborne reported that the District has an inventory of eOne Pumps and the builders are keeping the pump supplier updated on the need for pumps.

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 Lot Sales

There was no update at this time.

Director Matters

Appointment of Directors to Fill Vacancies

Director Osborne reported that it was indicated at the August meeting that two representatives from Richfield Homes, a builder within the District, had expressed an interest in being appointed to the Board, and that the qualifications of Lisa Wiebelhaus and Will Edgington had been confirmed. Ms. Frisbie reported that the Board also received a Letter of Interest from Ms. Farner-Hirsch, a resident in the District, on November 16, 2021. Ms. Farner-Hirsch provided the Board with some background on her qualifications and expressed her interest in being appointed to the Board. Mr. Pault also expressed his interest in being appointed to the Board.

Following discussion, upon a motion duly made and seconded, the Board unanimously appointed Mr. Paul to the Board for a term ending in 2023, subject to confirmation of his qualifications.

Following discussion, upon a motion duly made and seconded, the Board unanimously appointed Mr. Edgington to the Board for a term ending in 2022.

Ms. Frisbie noted that she will coordinate with Mr. Paul and Mr. Edgington to administer the oaths of office. Ms. Frisbie also provided an update on the May 2022 election process, and noted that all 5 seats will be up for election.

#### Consider Election of Officers

The Board engaged in discussion regarding the election of officers.

Following discussion, upon a motion duly made and seconded, the Board unanimously elected Director Osborne as President, Director Matsuda as Treasurer, Director Seidl as Secretary, and Directors Paul and Edgington as Assistant Secretaries.

#### Other Business

#### Cancellation of December 15, 2021 Regular Meeting

The Board discussed cancellation of the December 15, 2021 regular meeting.

Following discussion, upon a motion duly made and seconded, the Board unanimously determined to cancel the December 15, 2021 regular meeting.

#### Executive Session – Pursuant to Section 24-6-402(4)(b), C.R.S. for purposes of receiving confidential legal advice regarding covenant enforcement matters

Upon motion of Director Seidl, seconded by Director Matsuda, and upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 12:42 p.m. for the purpose of receiving legal advice regarding covenant enforcement matters, pursuant to § 24-6-402(4)(b), C.R.S.

Pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of the portion of this executive session that, in the opinion of the District's attorney, constitutes privileged attorney-client communication pursuant to § 24-6-402(4)(b), C.R.S.

Also, pursuant to § 24-6-402(4), C.R.S., the Board did not adopt any proposed policy, position, resolution, rule, regulation, or take formal action during execution session.

The Board reconvened in regular session at 1:02 p.m.

Following discussion, upon a motion duly made and seconded, the Board unanimously directed legal counsel to prepare a

Memorandum of Rules and to record it on all properties within the District. The Board also directed legal counsel to prepare and send a letter to the few properties that are not following the Rules to remind them that their property is located within the District and to clarify the Rules.

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 19<sup>th</sup> day of January, 2022.