

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

Held: Wednesday, May 18, 2022 at 11:00 a.m., at 9 Timber Ridge Parkway, Severance, Colorado 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:

Kenji Matsuda
Dave Seidl
Jake Pault (*via teleconference*)

Director Will Edgington 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; and Ian Hossand, resident.

Also present (*via teleconference*) were: Heather L. Hartung, 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; Cathy Baldwin, Teleos, LLC, Covenant Enforcement Manager; JR Osborne, C3 Construction Management Co., Inc. (for a portion of the meeting); Beth Kelsey, Liberty Savings Bank ("LSB"); Jennifer Crawford, Andrew Hoffmeyer, Tiffany Farner-Hirsch, and Susan Pault, residents; and Richard Duvan, homebuyer.

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.

Director Matters

Recognition of Director Gene Osborne for Years of Service on the Board of Directors

The Board recognized Director Gene Osborne for his years of service on the Board of Directors.

Discuss Board Vacancy

Ms. Frisbie noted that there is one vacancy on the Board and provided the Board with information on the appointment process if any interested electors were to express an interest in the vacancy.

Consider Appointment of Officers

The Board engaged in general discussion regarding the appointment of officers. Following discussion, upon motion duly made and seconded, the Board unanimously appointed the directors as follows:

President – Jake Pault
Treasurer – Dave Seidl
Secretary – Kenji Matsuda
Assistant Secretary – Will Edgington

Public Comment

Mr. Duvan inquired about the District’s financials. Mr. Weaver provided a brief summary of the District’s financials, noting that the developer has been funding all deficits. Mr. Weaver also noted that it is anticipated that the District will become self-sufficient after build-out is complete.

Ms. Crawford inquired about the allowance of chickens. The Board and Ms. Frisbie summarized the previous discussions held at recent board meetings, noting that the Town of Severance (the “Town”) has a permit process in place for chickens, and that the Town will defer back to the District for a management plan during that permit process; however, the District does not currently have a management plan in place. Mr. Hoffmeyer and Mr. Duvan indicated they are interested in the allowance of chickens as well. Director Seidl noted the District will have to amend the current guidelines if chickens are allowed.

Following discussion, the Board directed staff to investigate the Town’s requirements for chickens and potential options for changes to the District’s guidelines.

Ms. Crawford inquired about the installation of a pond bubbler and rock riprap at the pond, noting that the standing rock area near the shore is very muddy. It was noted that this item will be discussed under Operations and Maintenance Matters.

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 March 16, 2022 meeting
- b. Approved Independent Contractor Agreement with Civil Resources, LLC for civil engineering services for the design of the pump station

Financial Matters

Payables/Financials

Mr. Weaver presented the payables, dated April 25, 2022, to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the payables.

Mr. Weaver presented the April 30, 2022 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.

Consider Acceptance of 2021 Audit

Mr. Weaver presented the 2021 Audit to the Board for consideration. 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 2021 Audit, subject to final legal review and Board review and comment.

Discuss Operations Fee

Mr. Weaver provided a general summary of the operations fee and explained that these funds are used to supplement the revenue received from property taxes for operational expenses, noting that the District is required to track all funds separately.

Authorize Directors to Review Invoices and Authorize Signers on Bank Accounts

The Board discussed the review and approval process of invoices through Bill.com.

Following discussion, upon a motion duly made and seconded, the Board unanimously authorized Directors Pault and Seidl to be signers on the District's bank accounts and to review invoices through Bill.com.

Legal Matters

Discuss District Management Services

The Board discussed management services for the District. Ms. Frisbie informed the Board that White Bear Ankele Tanaka & Waldron will no longer be able to provide management services for the District and that Teleos, LLC has agreed to increase their scope to include full management services.

Ms. Frisbie also introduced Ms. Hartung, with White Bear Ankele Tanaka & Waldron, as the new attorney for the District.

Consider Approval of Second Addendum to Independent Contractor Agreement with Teleos, LLC

Ms. Frisbie discussed the Second Addendum to the Independent Contractor Agreement with Teleos, LLC with the Board, noting that the new scope of services will include full management services.

Following discussion, upon a motion duly made and seconded, the Board unanimously approved the Second Addendum to the Independent Contractor Agreement with Teleos, LLC, subject to confirmation of the scope of services and compensation, and final review and comment by the Board.

Discuss Construction Management Services

Ms. Frisbie informed the Board that Mr. JR Osborne will no longer be handling routine construction management services for the District. Mr. Pault noted that the District is able to handle small projects internally, and if anything larger is needed, the District will reach back out to Mr. JR Osborne.

Discuss Regular Meeting Dates and Consider Adoption of First Amendment to Annual Administrative Resolution

Ms. Frisbie presented the First Amendment to the Annual Administrative Resolution to the Board for consideration. The Board discussed the District's regular meeting dates, times, and location. Director Pault suggested that regular meetings be held in the evenings via Zoom, in anticipation of more resident involvement.

Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the First Amendment to the Annual Administrative Resolution. Regular meetings for the remainder of 2022 will be held on July 20, September 21, and November 16 at 6:00 p.m. via Zoom, and Teleos, LLC will circulate new meeting invites.

Discuss Status of Pump Station Agreement between the District and North Weld County Water District

Mr. JR Osborne provided the Board with an update on the status of the Pump Station Agreement with North Weld County Water District ("NWCWD"), noting that a new tank needs to be installed to service approximately 200 lots. Mr. JR Osborne noted that Mr. Gene Osborne and Mr. Dickhoner continue to work on finalization of the agreement and they will keep Director Pault apprised of any updates.

Discuss Long Term Maintenance of Weld County Road 19

Ms. Frisbie and Mr. JR Osborne provided the Board with an update on the long term maintenance of Weld County Road 19 ("WCR 19"). It was noted that the Town passed maintenance responsibilities of WCR 19 to the District during the initial development. Requests to have maintenance responsibilities returned to the Town or Weld County have not been successful. Mr. JR Osborne reported that there are currently oil drilling operations in place in the vicinity of WCR 19 and the associated oil company has been maintaining WCR 19; however, he is unsure as to when the oil operations and associated road maintenance will cease. He also noted that past attempts to find a contractor for the ½ mile of road maintenance has been difficult.

Discuss Future Development of Saddle Phase 2b and Saddle Southern

This matter is on hold until water issues with NWCWD are resolved.

Management Matters

Teleos Management Report

Ms. Baldwin presented the Teleos Management Report to the Board. Mr. Seidl noted that he would like to ensure that people aren't connecting to the potable water systems and that there aren't any cross-connections with potable and non-potable water systems.

Discuss Native Mowing

Ms. Frisbie informed the Board that Foothills Landscape Maintenance will be handling the native mowing this season and that Teleos, LLC will provide oversight.

Review and Discuss Proposals for Purchase and Installation of Pet Waste Stations

Ms. Baldwin presented the Board with proposals for the purchase and installation of pet waste stations in the community. The Board discussed possible locations and the needed frequency for pet waste pickup.

Following discussion, upon a motion duly made and seconded, the Board unanimously approved the proposal from Fetch Poop.Com, LLC for the purchase and installation of pet waste stations and continuing weekly pet waste pickup. The Board determined to install the stations on the trail around the pond near the mailboxes, on the trail by the playground, and near future trailheads by the estate lots. The Board also directed staff to inquire as to if Fetch Poop.Com, LLC offers monthly pickup services, rather than once per week.

Update on Storage of Holiday Decorations

Ms. Frisbie provided the Board with an update on the storage of holiday decorations, noting that they are being stored in the sewer plant and LSB will be handling the installation.

Update on Repairs to Walking Trails

Ms. Frisbie provided the Board with an update on the walking trail repairs, noting that Director Edgington confirmed that the damaged trails will be remedied before home construction in the area is completed.

Operations and Maintenance Matters

Update on Repair and Remodel of Pond

Mr. JR Osborne provided the Board with an update on the repair and remodel of the pond, noting that the repair work has been completed.

Status of Proposal for Pond Aerator (Bubbler)

The Board discussed the installation of a pond aerator and 4 to 6 inches of riprap rock at the pond to keep the pond healthy and to reduce blue-green algae. It was discussed that these would be installed next winter, once the pond has been drained. Director

	Seidl noted that he will research companies to obtain proposals from.
Status of Proposal for Landscape Rehab for Area Surrounding Pond	The Board discussed the landscape rehab for the area surrounding the pond.
Walking Path Surrounding Pond	It was noted that the trenches that were dug near the walking path as a result of the pond leak need to be filled as soon as possible. Director Pault noted that he will research options for filling of the trenches.
Landscaping Repair to Pond Access Road	The Board discussed landscaping repair to the pond access road. It was noted that this item can be combined with the trench work noted above, and that some of the volunteer trees may possibly be removed at the same time.
Removal and Cleanup of Pond Debris	Mr. JR Osborne informed the Board that the removal and cleanup of pond debris is under the current scope with the contractor that performed the pond repair work.
Update on Installation of Water Meter Vaults	There was no update at this time.
Update on Wastewater Treatment Plant	The Board discussed the transfer of oversight of the wastewater treatment plant, as Mr. JR Osborne had previously provided this and was the main point of contact with Ramey Environmental Compliance. Director Pault indicated that he would coordinate with Mr. JR Osborne on the process and any outstanding matters related to the wastewater treatment plant.
Update on eOne Pumps	There was no update at this time.
Update on Construction Matters	
Multi-Family Infrastructure Project	Mr. JR Osborne provided the Board with an update on the multi-family infrastructure project, noting that most of the preliminary work on the plans has been completed, but the District needs the agreement with NWCWD in place to ensure water is supplied.
Construction of Tracts 7 and 8	There was no update at this time.
Update on Lot Sales	There was no update at this time.
<u>Other Business</u>	There was no other business at this time.
<u>Adjourn</u>	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.

DocuSigned by:

Susan Paul

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Secretary

The foregoing minutes were approved on the 20th day of July, 2022.

10/3/2022