

# FOSSIL RIDGE METROPOLITAN DISTRICTS NOS. 1-3

Agenda is preliminary and subject to change by majority vote of the Boards at the meeting. Any individuals with questions regarding this Notice of Regular Meeting and Agenda, or who require special accommodation to attend and/or participate in the meeting, should please contact the President of the Board of Directors of District 1 at [frdistrict2@gmail.com](mailto:frdistrict2@gmail.com)

## NOTICE OF A REGULAR MEETING AND SUMMARY OF AGENDA ITEMS

### Board of Directors – D1:

Tom Waterman - President  
Craig Brown - V.P.  
Mike McCleary - Treasurer  
Dave McGraw - Secretary  
Terry Larson - Asst. Sec.

### Board of Directors – D2:

Dave McGraw - President  
Terry Larson - V.P.  
Andrew Martin - Treasurer  
Theodore Michelsen - Secretary  
Tom Waterman - Asst. Sec.

### Board of Directors – D3:

Craig Brown - President  
Aaron Hochstein - V.P.  
Mike McCleary - Treasurer  
Daniel Dominic - Secretary  
Vacant - Asst. Sec.

### Consultants:

Sue Blair, CRS	District Manager
Marcos Pacheco, CRS	District Manager
Nancy Weiss, CRS	District Accountant
Kelley Duke, Esq.	Legal Counsel
Jennie Heinze	Community Manager

DATE: Monday, January 13, 2020

TIME: 6:30 P.M.

PLACE: The Retreat at Solterra  
15260 W. Evans Avenue  
Lakewood, Colorado 80228

## I. ADMINISTRATIVE MATTERS

- A. Call to Order/Roll Call/Declaration of Quorum (Districts 1-3)
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- B. Present Disclosures of Potential Conflicts of Interest (Districts 1-3)
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- C. Confirm Posting of Meeting Notices (Districts 1-3)
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## II. APPROVAL OR AMENDMENT TO THE AGENDA (Districts 1-3)

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III. PUBLIC COMMENT (Districts 1-3)

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IV. CONSENT AGENDA

These items are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless requested by a Board member; in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.

1. Ratification and approval of the payment of claims for the period ending January 9, 2020 (enclosures) – Pg. 4
2. Approve the minutes of the December 2, 2019 Special Meeting (enclosure) (Districts 1-3) – Pg. 5-13

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V. LEGAL MATTERS

- A. Update on HEI suit – Director Michelsen (verbal)
- B. Election Update – CRS – (verbal)
- C. Consider adoption of the Annual Administrative Resolution for 2020 – (Districts 1-3) – CRS (enclosure) – Pg. 14-43

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VI. FINANCIAL MATTERS

- A. Update on engagement of a Municipal Advisor – Director McCleary (enclosure) – Pg. 44-45
- B. Consider engagement of auditing firm – CRS (to be distributed at meeting)
- C. Retainage status update – CRS (verbal)
- D. Approval of revised Accounting Practices – CRS (enclosure) – Pg. 46-47

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VII. OPERATIONS AND MAINTENANCE MATTERS (District 1)

- A. Engineer Update – Director Larson (verbal)
- B. Selection of a Retreat Management Company – Director Waterman (verbal)
- C. Reserve Study Update – Overlook (verbal)
- D. Re-keying Retreat – Overlook (verbal)
- E. Phone Tower Update – Overlook (verbal)

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THE NEXT REGULAR MEETING IS SCHEDULED FOR MONDAY, MARCH 4, 2020

Ranges: From: To: From: To:  
 Check Number First Last Check Date 11/15/2019 1/9/2020  
 Vendor ID First Last Checkbook ID First Last  
 Vendor Name First Last

Sorted By: Check Date

# To Be Ratified

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
03099	ANIMAL &	Animal & Pest Control Speciali	11/27/2019	BBVA	PMCHK00000027	\$120.00
03100	CSDPLP	Colorado Special Districts Pro	11/27/2019	BBVA	PMCHK00000027	\$1,880.00
03101	D HAMILTON	Dennis Hamilton	11/27/2019	BBVA	PMCHK00000027	\$48.11
03102	IRELAND	Ireland Stapleton	11/27/2019	BBVA	PMCHK00000027	\$16,618.50
03103	MERRICK	Merrick	11/27/2019	BBVA	PMCHK00000027	\$5,344.15
03104	SCHULTZ INDUSTR	Schultz Industries Inc.	11/27/2019	BBVA	PMCHK00000027	\$32,400.11
03106	T CHARLES	T.Charles Wilson	11/27/2019	BBVA	PMCHK00000027	\$495.00
03107	WASTE MANAGEMEN	Waste Management	11/27/2019	BBVA	PMCHK00000027	\$205.72
03108	YMCA OF METRO	YMCA of Metropolitan Denver	11/27/2019	BBVA	PMCHK00000027	\$14,241.40
03110	CRS	CRS of Colorado	12/11/2019	BBVA	PMCHK00000029	\$14,603.00
03111	DEN SPRINKLER	Denver Sprinkler and Lanscape,	12/11/2019	BBVA	PMCHK00000029	\$2,870.00
03112	IRELAND	Ireland Stapleton	12/11/2019	BBVA	PMCHK00000029	\$22,460.78
03113	OVERLOOK	Overlook Property Management,	12/11/2019	BBVA	PMCHK00000029	\$4,826.50
03114	QUALITY 1ST	Quality First Pumbing Heating	12/11/2019	BBVA	PMCHK00000029	\$526.48
03115	SCHULTZ INDUSTR	Schultz Industries Inc.	12/11/2019	BBVA	PMCHK00000029	\$82,750.52
03116	UMB	UMB Bank, N.A.	12/11/2019	BBVA	PMCHK00000029	\$2,500.00
03117	VERIA TECH	Veria Technologies	12/11/2019	BBVA	PMCHK00000029	\$195.00
03118	WASTE MANAGEMEN	Waste Management	12/11/2019	BBVA	PMCHK00000029	\$200.81
03119	YMCA OF METRO	YMCA of Metropolitan Denver	12/11/2019	BBVA	PMCHK00000029	\$43,532.33
03120	ARS	Aspen Reserve Specialties	12/20/2019	BBVA	PMCHK00000030	\$8,500.00
03121	SG ELEC	SG Electric	12/20/2019	BBVA	PMCHK00000030	\$3,900.00
03122	ANIMAL &	Animal & Pest Control Speciali	12/20/2019	BBVA	PMCHK00000030	\$120.00
03123	SDA	Special District Association	12/20/2019	BBVA	PMCHK00000030	\$2,126.55
03124	SCHULTZ INDUSTR	Schultz Industries Inc.	12/20/2019	BBVA	PMCHK00000030	\$13,378.11
03125	MERRICK	Merrick	12/31/2019	BBVA	PMCHK00000031	\$1,403.94
03126	OVERLOOK	Overlook Property Management,	12/31/2019	BBVA	PMCHK00000031	\$5,995.93
03127	SCHULTZ INDUSTR	Schultz Industries Inc.	12/31/2019	BBVA	PMCHK00000031	\$19,281.00
03128	MERRICK	Merrick	12/31/2019	BBVA	PMCHK00000032	\$860.00
Total Checks: 28						Total Amount of Checks: \$301,383.94

# RECORD OF PROCEEDINGS

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## MINUTES OF THE COMBINED SPECIAL MEETING OF THE BOARDS OF DIRECTORS OF THE

### FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1 FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2 FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3

Held: Monday, December 2, 2019, 6:30 p.m., at The Retreat at Solterra, 15260 W. Evans Avenue,  
Lakewood, Colorado 80228

**Attendance** The combined special meeting of the Boards of Directors of the Fossil Ridge Metropolitan District Nos. 1-3 was called and held at 6:30 p.m., as shown, in accordance with Colorado law. The following Directors were in attendance:

#### **District 1:**

Tom Waterman – President  
Craig Brown – Vice President  
Mike McCleary – Treasurer  
Dave McGraw – Secretary  
Terry Larson – Assistant Secretary

#### **District 2:**

Terry Larson – Vice President  
Andrew Martin – Treasurer  
Dave McGraw – Secretary  
Theodore Michelsen – Secretary  
Tom Waterman – Assistant Secretary

#### **District 3:**

Craig Brown – President  
Aaron Hochstein - Vice President  
Mike McCleary – Treasurer  
Daniel Dominic – Secretary  
VACANCY – Assistant Secretary

#### **Consultants:**

Sue Blair, District Manager, Community Resource Services  
Marcos Pacheco, District Manager, Community Resource Services  
Jennie Heinze, Community Manager, Overlook Property Management

#### **Also present were:**

Brad Marsh, Resident  
Jim Cantrell, Resident  
Elaine Jones, Resident  
Peggy Waterman, Resident  
MaryAnn McGeady, Brookfield Legal Counsel

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Christina Snyder, Resident  
Gary Green, Resident  
Laura Hamilton, Resident  
Helene Thompson, Resident  
Neil Amy, Resident  
Lindsay Abbott, Resident  
Rod Pope, Resident  
Linda Johnston, Resident  
Chris Neugerbauer, Resident  
John Henderson, Resident  
Leeann McGraw, Resident  
Devin Gonzales, Resident  
Carol Callahan, Resident  
Deb Korzen, Resident

**Call to Order** A quorum of the Boards was present, and the Directors confirmed their qualification to serve.

**Approve Agenda** The Boards reviewed the meeting agenda and requested that the Board Vacancy from section VII/G be moved right after the Consent Agenda.

- District 1: Director Brown moved to approve the agenda as amended. Upon second by Director Waterman, a vote was taken and the motion carried unanimously.
- District 2: Director Brown moved to approve the agenda as amended. Upon second by Director Larson, a vote was taken and the motion carried unanimously.
- District 3: Director Dominic moved to approve the agenda as amended. Upon second by Director Hochstein, a vote was taken and the motion carried unanimously.

**Public Comment** There was none.

**Consent Agenda** Consent Agenda Items 1 – 6

1. Approval/Ratification of the payment of claims for the period ending November 25, 2019
2. Approval of the minutes of the October 7, 2019 Combined Special Meeting
3. Approval of the minutes of the November 13, 2019 Combined Special Meeting
4. Approval of the minutes of the November 19, 2019 Combined Special Meeting

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The Boards requested that the minutes from the October 7, 2019 meeting be removed from the consent agenda as amendments are needed.

- District 1: Director McGraw moved to approve items 1, 3, and 4. Upon second by Director Waterman, a vote was taken and the motion carried unanimously.
- District 2: Director Larson moved to approve items 1, 3, and 4. Upon second by Director Michelsen, a vote was taken and the motion carried unanimously.
- District 3: Director Brown moved to approve items 1, 3, and 4. Upon second by Director Hochstein, a vote was taken and the motion carried unanimously.

## **Items Removed from Consent Agenda**

Director Michelsen (D2) noted that the minutes from the October 7, 2019 incorrectly identified issues from the engineering report. CRS will make the revisions to the minutes as requested.

- District 1: Director Waterman moved to approve the minutes of the October 7, 2019 Special Meeting, as amended. Upon second by Director McGraw, a vote was taken and the motion carried unanimously.
- District 2: Director Larson moved to approve the minutes of the October 7, 2019 Special Meeting, as amended. Upon second by Director Michelsen, a vote was taken and the motion carried unanimously.
- District 3: Director Hochstein moved to approve items the minutes of the October 7, 2019 Special Meeting, as amended. Upon second by Director Brown, a vote was taken and the motion carried unanimously.

## **Board Vacancy, Amended Agenda Item**

Director Waterman (D 1&2) reported that Kim Hussey (D 1&3) had officially tendered her resignation from her positions on the D1 and D3 Boards. The D1 and D3 Boards unanimously accepted her resignation. Director Waterman continued to report that the due to Ms. Hussey's resignation, there would be vacancies on both Boards. With the budget discussions happening, Director Waterman noted the importance of appointing Director McCleary (D3) to the vacant position on the D1 Board.

- Director Waterman moved to appoint Mike McCleary to the vacant position on the District 1 Board until the next regular election in May 2020 to serve as Treasurer. Upon second by Director McGraw, a vote was taken and the motion carried unanimously. Ms. Sue Blair administered the Oath of Office to Mr. McCleary.
- Director Brown (D 1&3) added that there needs to be a Vice President on the D3 Board as this position was vacated by Ms. Hussey upon her termination. Director Brown moved that Director Hochstein fill the position

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of Vice President of the D3 Board. Upon second by Director McCleary, a vote was taken and the motion carried unanimously.

## Legal Matters

Consider and Approve the Election Resolution Calling May 2020 Election – CRS: Ms. Blair reported to the Boards about what Directors terms were up and reviewed the resolutions presented.

- District 1: Director McGraw moved that the Board adopt the resolution as presented. Upon a second by Director Larson, a vote was taken and the motion carried unanimously.
- District 2: Director Michelsen moved that the Board adopt the resolution as presented. Upon a second by Director McGraw, a vote was taken and the motion carried unanimously.
- District 3: Director Dominic moved that the Board adopt the resolution as presented. Upon a second by Director Hochstein, a vote was taken and the motion carried unanimously.

## Financial Matters

Proposed 2020 Fee Schedule: Director Brown (D 1&3) spoke about the enclosure. He added that, if approved, the fees would be effective January 2, 2020. Director Waterman (D 1&2) spoke about the idea that they will keep evaluating data and it will be addressed in a future meeting.

- District 1: Director Larson moved that the Board approve the 2020 Fee Schedule, subject to final review. Upon a second by Director McGraw, a vote was taken and the motion carried unanimously.
- District 2: Director Michelsen moved that the Board approve the 2020 Fee Schedule, subject to final review. Upon a second by Director Waterman, a vote was taken and the motion carried unanimously.
- District 3: Director McCleary moved that the Board approve the 2020 Fee Schedule, subject to final review. Upon a second by Director Hochstein, a vote was taken and the motion carried unanimously.

### Conduct Public Hearing to Adopt 2020 Budget:

Director Waterman (D 1&2) opened the public hearing at 6:51 p.m.

### Public Comment:

- Jim Cantrell asked the Boards for clarification on the reserve fund and if there was a study performed before this amount was agreed upon. Director McCleary (D 1&3) answered the question and provided detailed information. He also added that there are suggested amounts listed in the study, but the District is working to rebuild that fund. Director Waterman (D 1&2) noted that the entire community was surveyed during the study



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and now there is an opportunity to save for future expenditures.

- Gary Green asked the Boards about the shortfall of the tax revenue from last year related to the error in the mill levy. Director Michelsen (D2) answered by saying that you cannot predict a tax base while under development. The District is ahead of their income right now, so there will not be an increase in taxes. It will return to the same mill levy.
- John Henderson asked the Boards if they have started to put money away for the sewer pipe system. The Board said that this is part of the reserve study. Mr. Henderson then asked about the total expenditures for the management companies. Director McCleary (D 1&3) said that the District has two companies because they perform separate duties and the District does not plan to change it. Ms. Blair explained the difference between the two companies. Director McCleary added that the Boards have adopted a resolution that outlines the need to re-evaluate large contracts on a regular basis. Mr. Henderson asked about the budgeted amount for legal moving forward and why the amount was so high. Director Michelsen (D2) said that the District has historically spent more money and that's why they have a budgeted amount.
- Jim Cantrell asked the Boards if there will be left over money at the end of the year and if so, what happens to it. Director McCleary (D 1&3) explained how the money rolls over by noting the beginning and ending fund balances.
- Lindsay Abbott asked if the contract with Schultz was re-bid. Ms. Heinze commented that this is done annually. Ms. Abbott then asked if Schultz plows all the streets and cul-de-sacs and Director McGraw (D 1&2) explained that no streets would be cleaned per the City plowing standards unless necessary.
- MaryAnn McGeady, Legal Representation for Brookfield, asked the Board if there has been any consideration given to refinancing the current bonds with the historically low interest rates that are being offered. Director Waterman (D 1&2) commented that there has been some consideration and the District has communicated this to Brookfield Management. The District is looking but is not making any commitments currently.

There being no further comment from the public, Director Waterman closed the public hearing at 7:22 p.m.

## Motion to Adopt the 2020 Budgets, Certify Mill Levies, and Appropriate 2020 Expenditures:

- District 1: Director McGraw moved to adopt the 2020 budget, certify the total mill levy of 0.000, and appropriate expenditures, as presented. Upon second by Director Brown, a vote was taken and the motion carried unanimously.

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- District 2: Director McGraw moved to adopt the 2020 budget, certify the total mill levy of 43.668, and appropriate expenditures, as presented. Upon a second by Director Waterman, a vote was taken and the motion carried unanimously.
- District 3: Director McCleary moved to adopt the 2020 budget, certify the total mill levy of 43.668, and appropriate expenditures, as presented. Upon a second by Director Dominic, a vote was taken and the motion carried unanimously.

Re-engagement of the Financial Advisory Firm Ehlers on District Financial Matters and Evaluation of Bonding Capacity: Director McCleary (D 1&3) stated that the District would like to re-engage Ehlers with the intention of evaluating the District's bonding capacity.

- District 1: Director McGraw moved that the Board approve the re-engagement with Ehlers. Upon second by Director Waterman, a vote was taken and the motion carried unanimously.
- District 2: Director Michelsen moved that the Board approve the re-engagement with Ehlers. Upon second by Director Larson, a vote was taken and the motion carried unanimously.
- District 3: Director Dominic moved that the Board approve the re-engagement with Ehlers. Upon second by Director Brown, a vote was taken and the motion carried unanimously.

Cash Position Statements: Ms. Blair reviewed the cash position statements with the Boards, for the period ending 11/30/2019.

## **Operations and Maintenance Matters (D1)**

Acceptance of Orchard Park: Director Larson (D 1&2) reported that the District has been reviewing Orchard Park and is now to the point that the District should consider final approval. There have been some changes with landscaping and irrigation that the District has approved. The District has provided Brookfield with a punch list of documentation that will be required before final acceptance. At this point, the District needs to move forward once final payment has been made to Brightview. Upon acceptance, the District will receive a 2-year warranty on the park for all improvements, from the date of documentation. Director McCleary (D 1&3) would like to wait until the January meeting for this item to be approved. Director McGraw requested that this item be tabled for discussion at the January Board meeting.

WYOCO Erosion Control Inc. Contract Termination: Director Larson (D 1&2) spoke about the erosion control that WYOCO performs on a weekly basis, by direction of Brookfield. There is also a storm water permit in Brookfield's name. For the past year, Brookfield has directed WYOCO to do the work. At this point, it is still a District contract and the District is being billed for the work. Director

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Larson recommended that the contract with WYOCO be terminated. It would then be Brookfield's responsibility to secure their own contract for this work. He would like Barney Fixe to take the proper measures to terminate the contract.

- Director Larson moved that the Board authorize Barney Fix to take the proper measures in order to terminate the contract with WYOCO. Upon second by Director Brown, a vote was taken and the motion carried unanimously.

Landscape and Snow Removal Update: Ms. Heinze provided a summary to the Boards. The focus of the landscape committee focused on what could happen with the large temperature drop in a short amount of time related to the potential loss of trees. They will not know of any damage until Spring of 2020. Snow removal: there was a large storm that required a large amount of resources. Overlook Management received a few calls but overall, Schultz did a great job. It appears that the cost of snow removal for this storm will be about \$40k. Ms. Heinze noted that the Boards need to accept a new 2020 contract for Schultz. Director Waterman noted that this contract automatically renews unless changes need to be made.

YMCA 30 Day Notice: Director Waterman reported to the Boards that YMCA provided notice that the YMCA will not renew the contract for 2020. Their business model has changed, and they are having difficulty finding employees. The District was also dissatisfied with their services and the decision to make this change was mutual. Elaine Jones is actively pursuing companies who provide such management. The YMCA is willing to work with the District in January and February if needed. There will be new management coming in 2020.

Pool Netting: Director Dominic (D3) stated that over the past couple meetings there was some concern about the safety around the pool especially when the lifeguards are not present. He has explored several companies to provide safety netting. He has concluded that "A Safe Pool" would be the best option. The total estimated cost is \$4,000. Director Dominic feels strongly about getting this installed. The Board asked about how long the netting is supposed to last and how long it would take to install. Director Dominic will continue to research the options and report back at the next meeting.

Reserve Study Update: Ms. Heinze stated that this has been review by the Boards and comments were sent to Aspen Reserve Studies. They would like to schedule a meeting for next week to look at certain items. She asked the Board for their availability and after that, the study can be finalized.

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**Adjournment**

There being no further business to be brought before the Boards, the meeting was adjourned at 8:21 p.m.

Respectfully submitted,

\_\_\_\_\_  
Secretary of the Meeting

DRAFT

**The remainder of this page was intentionally left blank**

# RECORD OF PROCEEDINGS

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THESE MINUTES ARE APPROVED AS THE OFFICIAL DECEMBER 2, 2019 MINUTES OF THE FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1 BY THE BOARD OF DIRECTORS SIGNING BELOW:

\_\_\_\_\_  
Tom Waterman

\_\_\_\_\_  
Craig Brown

\_\_\_\_\_  
Dave McGraw

\_\_\_\_\_  
Mike McCleary

\_\_\_\_\_  
Terry Larson

THESE MINUTES ARE APPROVED AS THE OFFICIAL DECEMBER 2, 2019 MINUTES OF THE FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2 BY THE BOARD OF DIRECTORS SIGNING BELOW:

\_\_\_\_\_  
Dave McGraw

\_\_\_\_\_  
Terry Larson

\_\_\_\_\_  
Andrew Martin

\_\_\_\_\_  
Theodore Michelsen

\_\_\_\_\_  
Tom Waterman

THESE MINUTES ARE APPROVED AS THE OFFICIAL DECEMBER 2, 2019 MINUTES OF THE FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3 BY THE BOARD OF DIRECTORS SIGNING BELOW:

\_\_\_\_\_  
Craig Brown

\_\_\_\_\_  
Aaron Hochstein

\_\_\_\_\_  
Mike McCleary

\_\_\_\_\_  
Daniel Dominic

**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1  
ANNUAL ADMINISTRATIVE RESOLUTION  
(2020)**

**CERTIFIED COPY OF RESOLUTION**

STATE OF COLORADO            )  
  ) *ss.*  
COUNTY OF JEFFERSON        )

At the regular meeting of the Board of Directors of Fossil Ridge Metropolitan Districts No. 1, City of Lakewood, Jefferson County, Colorado, held at 6:30 p.m. on Monday, January 13, 2020, at The Retreat at Solterra, 15260 W Evans Avenue, Lakewood Colorado.

Present were the following members of the Board:

- Tom Waterman
- Craig Brown
- Dave McGraw
- Terry Larson
- Mike McCleary

Also present were:

Sue Blair and Marcos Pacheco; Community Resource Services of Colorado, LLC

When the following proceedings, were had and done, to wit:

It was moved by Director \_\_\_\_\_ to adopt the following Resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1  
CONCERNING ANNUAL ADMINISTRATIVE MATTERS (2020)**

WHEREAS, Fossil Ridge Metropolitan Districts No. 1 (the “District”) was organized as a special district pursuant to an Order of the District Court in and for the County of Jefferson, Colorado (the “County”) and is located entirely within the City of Littleton, Colorado (the “City”); and

WHEREAS, the Board of Directors of the District (the “Board”) has a duty to perform certain obligations on a recurring basis in order to assure the efficient operation of the District; and

WHEREAS, § 32-1-306, C.R.S., requires the District to file a current, accurate map of its boundaries with the Division of Local Government (the “Division”), the County Assessor and County Clerk and Recorder on or before January 1 of each year; and

WHEREAS, § 32-1-104(2), C.R.S., requires that the District, on or before January 15, file a copy of the notice required pursuant to § 32-1-809(1), C.R.S., with the County Board of County Commissioners (the “Board of County Commissioners”), the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of the municipality in which the District is located, if applicable, and the Division, post the notice as required and make a copy of the notice available for public inspection at the District’s business office; and

WHEREAS, in accordance with § 32-1-809(1), C.R.S., not more than sixty (60) days prior to and not later than January 15 of each year, the District shall provide notice to the District’s eligible electors in the manner set forth in § 32-1-809(2), C.R.S.; and

WHEREAS, pursuant to § 32-1-104.8(1), C.R.S., the District is required to record a public disclosure document and map of the boundaries of the District with the County Clerk and Recorder, such public disclosure document shall contain certain information pertaining to the District as further described in § 32-1-104.8(1), C.R.S., and, pursuant to § 32-1-104.8(2), C.R.S., such public disclosure document and map shall be recorded with the County Clerk and Recorder and such public disclosure document(s) and map(s) shall be recorded with the County Clerk and Recorder at the same time of any decree or order confirming the inclusion of any real property into the boundaries of the District is recorded pursuant to § 32-1-105, C.R.S.; and

WHEREAS, the Local Government Budget Law of Colorado, §§ 29-1-101 to 29-1-115, C.R.S., requires the Board to hold a public hearing on proposed budgets and amendments thereto, to adopt budgets and to file copies of the budgets and amendments thereto with the Division; and

WHEREAS, § 39-5-128, C.R.S., requires the District to certify its mill levy with the Board of County Commissioners on or before December 15; and

WHEREAS, § 29-1-205, C.R.S., requires the District to prepare an informational listing of all contracts in effect with other political subdivisions and submit said list to the Division within thirty (30) days after receiving a written request; and within ten (10) days after execution of a contract establishing a separate governmental entity pursuant to Section 29-1-204, C.R.S., or an amendment or modification thereof, the District must file a copy of such contract, amendment or modification with the Division, pursuant to Section 29-1-204, C.R.S.; and

WHEREAS, in accordance with the Public Securities Information Reporting Act, §§ 11-58-101, *et seq.*, C.R.S., issuers of non-rated public securities must file an annual report with the Department of Local Affairs within sixty (60) days of the close of the fiscal year; and

WHEREAS, in accordance with §§ 29-1-603 and 29-1-606, C.R.S., an annual audit of the financial statements for each fiscal year shall be prepared and submitted to the Board before June 30 and filed with the State Auditor by July 31; and

WHEREAS, pursuant to § 29-1-604(1), C.R.S., any local government where neither revenues nor expenditures exceed One Hundred Thousand Dollars (\$100,000) in any fiscal year commencing on or after January 1, 1998, may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-604(2)(b), C.R.S., any local government where revenues or expenditures for any fiscal year commencing on or after January 1, 2015, are least One Hundred Thousand Dollars (\$100,000) but not more than Seven Hundred and Fifty Thousand Dollars (\$750,000), may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-606(7), C.R.S., if the District has authorized but unissued general obligation debt as of the end of the fiscal year, the District shall submit its audit report or a copy of its application for exemption from audit to the board of county commissioners or the governing body of the municipality that adopted a resolution of approval of the special district pursuant to § 32-1-204.5 or 32-1-204.7, C.R.S.; and

WHEREAS, the Unclaimed Property Act, §§ 38-13-101, *et seq.*, C.R.S., requires that political subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer; and

WHEREAS, §§ 32-1-101, *et seq.*, C.R.S., requires the District to publish certain legal notices in a newspaper of general circulation in the District; and

WHEREAS, the Directors may receive compensation for their services subject to the limitations imposed by §§ 32-1-902(3)(a)(I) & (II), C.R.S.; and

WHEREAS, pursuant to § 32-1-902(1), C.R.S., the Board shall elect officers of the District; and



WHEREAS, the Directors are governed by § 32-1-902(3)(b), C.R.S., which requires a Director to disqualify himself or herself from voting on an issue in which s/he has a conflict of interest, unless the Director has properly disclosed such conflict in compliance with law and files said conflict disclosure statements at least seventy-two (72) hours prior to any regular or special meeting of the District; and

WHEREAS, § 24-6-402(2)(c), C.R.S., specifies the duty of the Board to designate a posting place for notices of meetings (which posting place may be website, social media account, or other official online presence of the District), and requires that notice of such meetings be posted at least twenty-four (24) hours prior to said meeting; and

WHEREAS, § 32-1-903, C.R.S., requires that the Board shall meet regularly at a time and in a place to be designated by the Board and requires that notice of such meetings be posted in accordance with § 24-6-402(2); and

WHEREAS, elections may be held pursuant to the Colorado Local Government Election Code, §§ 1-13.5-101, *et seq.*, C.R.S., Special District Act, §§ 32-1-101, *et seq.*, C.R.S., for the purpose of: (1) electing members of the Board; (2) presenting certain ballot issues to the eligible electors of the District as required by Article X Section 20 of the Colorado Constitution; and (3) presenting certain ballot issues and questions to the eligible electors of the District; and

WHEREAS, § 1-5-102, C.R.S., specifies that the Board shall designate polling places for nonpartisan elections, other than coordinated elections, no later than twenty-five (25) days prior to an election, and, in accordance with § 1-5-102.5, C.R.S., no later than ninety (90) days prior to a coordinated election, the county clerk and recorder, in consultation with the other designated election officials of each political subdivision, shall assure one polling place be designated; and

WHEREAS, § 1-11-103(3) and § 32-1-1101.5, C.R.S., require the District to notify the Division of the results of any elections held by the District within thirty (30) days after the election and to certify results of any election to incur general obligation indebtedness via certified mail to the Board of County Commissioners of each county in which the District is located or to the governing body of the municipality within forty-five (45) days after the election; and

WHEREAS, §§ 32-1-1604, C.R.S., requires the Board to record a notice of authorization of or notice to incur general obligation debt with the County Clerk and Recorder within thirty (30) days of authorizing or incurring said indebtedness; and

WHEREAS, in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S., the Board of County Commissioners or the governing body of the municipality may require the District to file an application for quinquennial finding of reasonable diligence; and

WHEREAS, pursuant to § 32-1-207(3)(c), C.R.S., the District, if requested, may be required to file an annual report with the Board of County Commissioners or the governing body of the municipality in which the District is located, the Division, the State Auditor, the County

Clerk and Recorder and any interested parties entitled to notice pursuant to § 32-1-204(1), C.R.S.; and

WHEREAS, in accordance with the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., the Board is given authority to obtain insurance; and

WHEREAS, in accordance with the Workers' Compensation Act of Colorado, §§ 8-40-101 – 8-47-101, *et seq.*, C.R.S., the District is required to carry workers' compensation coverage for its employees, but the Board members may opt out of such coverage by the methods prescribed in the Workers' Compensation Act of Colorado; and

WHEREAS, pursuant to § 24-72-201, all public records of the District are open for inspection by any person requesting same, and the District Board desires to establish a policy regarding charges for supplying public records; and

WHEREAS, from time to time, authorization is needed for emergency repairs or unanticipated services occurring or needed outside of regularly scheduled Board meetings, and the District Board desires to establish a policy regarding interim expenditure authorization.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1 AS FOLLOWS:

1. The Board directs legal counsel and the District's manager to keep accurate maps on file with the Division of Local Government, County Assessor and County Clerk and Recorder and shall submit any changes to the maps on or before January 1. If there have been boundary changes, the Board directs the District's engineer to prepare an accurate map as specified by the Division of Local Government.
2. The Board directs the District's manager to file a copy of the notice otherwise required by § 32-1-809(1), C.R.S., with the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of the municipality in which the District is located, if applicable, and the Division on or before January 15. The Board hereby names the District's manager, as the contact person for the District. The contact person is authorized, under § 24-10-109(3)(b), C.R.S., to accept notices of claims against the District, and, if any such claim is received must promptly notify the President of the Board and the attorney for the District of such receipt.
3. In accordance with § 32-1-809(1), C.R.S., the Board hereby directs the District's manager, not more than sixty (60) days prior to and not later than January 15 of each year, to provide notice to the District's eligible electors in the manner set forth in § 32-1-809(2), C.R.S.
4. Pursuant to § 32-1-104.8(1), C.R.S., the Board hereby directs the District's legal counsel to prepare and record any amended public disclosure document(s) and

map(s) with the County Clerk and Recorder pursuant to § 32-1-105, C.R.S., should any property be included into the boundaries of the District.

5. The Board directs the District's manager to submit a proposed budget to the Board by October 15, to prepare a final budget, including any amendments thereto, if necessary, and directs the District's manager to schedule a public hearing on the proposed budget, to prepare all budget resolutions and to file the certified copy of the adopted budget with budget message, and all resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy with the Division on or before January 30.
6. The Board directs the District's manager to certify the mill levy with the Board of County Commissioners on or before December 15.
7. The Board directs the District's manager to prepare and file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year.
8. The Board directs the District's auditor to prepare an audit of the financial statements and submit such draft audit to the Board before June 30; further, the Board directs that the auditor file the final audit with the State Auditor by July 31. In the event that the timetable will not be met, the District's auditor and District's accountant are directed to request extensions of time to file the audit as needed. If the District is eligible for an audit exemption under applicable law, then the Board directs that the District's accountant apply for and obtain an audit exemption from the State Auditor on or before March 31.
9. The Board directs the District's accountant and auditor, if the District has authorized but unissued general obligation debt as of the end of the fiscal year, as follows: (1) if the District is eligible for an audit exemption pursuant to §§ 29-1-604(1) or (2), C.R.S., then, pursuant to § 29-1-606(7), C.R.S., the District's accountant shall submit a copy of the District's application for exemption to the Board of County Commissioners or the governing body of the municipality, and (2) if the District is required to submit an annual audit pursuant to §§ 29-1-601, *et seq.*, C.R.S., then, pursuant to § 29-1-606(7), C.R.S., the District's auditor shall submit its audit report to the Board of County Commissioners or the governing body of the municipality.
10. The Board directs the District's manager to prepare the Unclaimed Property Act report and submit the same to the State Treasurer.
11. The Board designates the Golden Transcript as a newspaper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes in the Golden Transcript.

12. Pursuant to § 32-1-901, C.R.S., the District determines that each present and future member of the Board shall have in the District files, with annual confirmation thereof by the District's custodian of public records, a complete and executed Certificate of Appointment (if such Board member is appointed), current Oath of Office and applicable Surety Bond, and that copies of each be submitted to the Division of Local Government and the District Court as necessary and as may be requested.
13. The Board of Directors of the District determines that each director shall not receive compensation for services as directors, at the maximum rate allowed by law, in accordance with 32-1-902(3)(a)(I) & (II), C.R.S. The Board recognizes that the Internal Revenue Service has determined that directors of special districts are considered employees of the district and as such will pay federal employment taxes on the compensation they receive for services performed as a director. The Board, therefore, directs the District's accountant to withhold federal employment taxes from the amount that the directors receive in compensation and to furnish each director with an annual IRS W-2 form.
14. The Board designates the following location as the District's physical posting place for notices of meetings, in addition to any website, social media account, or other official online presence of the District approved by the Board, pursuant to § 24-6-402(2)(c), C.R.S.:

The Retreat at Solterra - 15260 W. Evans Avenue, Lakewood, Colorado

15. The Board determines to hold regular meetings on January 13, March 4, May 4, July 22, August 17, October 19, and December 7, 2020 at 6:30 p.m. at The Retreat at Solterra; 15260 W. Evans Avenue, Lakewood, Colorado in conformance with § 32-1-903(1), C.R.S. The District's manager shall revise the notices when the Board intends to make a final determination to issue or refund general obligation indebtedness, to consolidate the District, to dissolve the District, to file a plan for adjustment of debt under federal bankruptcy law, or to enter into a private contract with a director, or not to make a scheduled bond payment.
16. Sue Blair of Community Resource Services of Colorado, LLC, is hereby appointed as the "Designated Election Official" of the Board for any elections to be held during 2020 and any subsequent year. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including, but not limited to, appointing election judges, appointing a canvass board and cancellation, if applicable, of the election.
17. Independent Mail Ballot Elections. The Board deems it expedient for the convenience of the electors that all regular and special elections of the District shall be conducted as an independent mail ballot election in accordance with

Section 1-13.5-1101, C.R.S., unless a polling place election is deemed necessary and expressed in a separate election resolution.

18. In accordance with § 1-11-103(3) and § 32-1-1101.5, C.R.S., the District directs legal counsel and the Designated Election Official to notify the Division of the results of any elections held by the District within thirty (30) days after the election and to certify results of any election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of the municipality within forty-five (45) days after the election.
19. In accordance with § 32-1-1604, C.R.S., the Board directs legal counsel to record a notice of authorization of or notice to incur general obligation debt with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness.
20. The Board directs the District's manager to prepare and file with the governing body of the municipality in which the District is located, if requested, the quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.
21. The Board directs the District's manager to prepare and file, if requested, the special district annual report.
22. The Board directs the District's Manager, Accountant and Legal Counsel, to provide continuing disclosure service if and as applicable to the bonds and other financial obligations of the District.
23. Pursuant to the provisions of the Colorado Public Deposit Protection Act, § 11-10.5-101, *et seq.*, C.R.S., the Board appoints the District Treasurer as the official custodian of public deposits.
24. The Board directs the District's manager to obtain proposals for insurance to insure the District against all or any part of the District's liability for injury; to insure the Directors acting within the scope of employment by the Board against all or any part of such liability for an injury; to insure against the expense of defending a claim for injury against the District or its Board. The Board will annually review all insurance policies in effect.
25. In accordance with § 8-40-202(1)(a)(I)(B), C.R.S., the Board hereby accepts workers' compensation coverage for individual Board.
26. In accordance with Section 32-1-809, C.R.S., the Board directs the District's manager to post the required notice on the Colorado Special District Association's website, which posting is at no cost to the District since the District is a member of the Association.

- 27. In accordance with Section 24-72-205(6)(a), the District may charge a fee not to exceed twenty-five cents per standard page for a copy of a public record or a fee not to exceed the actual cost of providing a copy, printout, or photograph of a public record in a format other than a standard page. In addition, following one hour of free time, the District may charge a reasonable fee of \$30 per hour for research and retrieval of the requested documents.
- 28. The Board hereby directs the District's President or President's Designee to authorize emergency repairs or unanticipated services in an amount not to exceed \$2,500 without Board consent. Such authorization will be ratified by the Board at the next scheduled Board meeting.

Whereupon, the motion was seconded by Director \_\_\_\_\_ and upon vote, unanimously carried.

ADOPTED AND APPROVED this 13<sup>th</sup> day of January, 2020.

FOSSIL RIDGE METROPOLITAN DISTRICT  
NO. 1

\_\_\_\_\_  
\_\_\_\_\_, President

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, Secretary

**CERTIFICATION**

I, \_\_\_\_\_, Secretary of the Board of Directors of Fossil Ridge Metropolitan Districts No. 1, do hereby certify that the annexed and foregoing resolution is a true copy from the records of the proceedings of the Board of said District on file with Community Resource Services of Colorado, LLC, manager to the District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District this 13<sup>th</sup> day of January, 2020.

\_\_\_\_\_  
\_\_\_\_\_, Secretary

**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2  
ANNUAL ADMINISTRATIVE RESOLUTION  
(2020)**

**CERTIFIED COPY OF RESOLUTION**

STATE OF COLORADO                    )  
  ) *ss.*  
COUNTY OF JEFFERSON                )

At the regular meeting of the Board of Directors of Fossil Ridge Metropolitan Districts No. 2, City of Lakewood, Jefferson County, Colorado, held at 6:30 p.m. on Monday, January 13, 2020, at The Retreat at Solterra, 15260 W Evans Avenue, Lakewood Colorado.

Present were the following members of the Board:

Dave McGraw  
Terry Larson  
Andrew Martin  
Theodore Michelsen  
Tom Waterman

Also present were:

Sue Blair and Marcos Pacheco; Community Resource Services of Colorado, LLC

When the following proceedings, were had and done, to wit:

It was moved by Director \_\_\_\_\_ to adopt the following Resolution:



**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2  
CONCERNING ANNUAL ADMINISTRATIVE MATTERS (2020)**

WHEREAS, Fossil Ridge Metropolitan Districts No. 2 (the “District”) was organized as a special district pursuant to an Order of the District Court in and for the County of Jefferson, Colorado (the “County”) and is located entirely within the City of Littleton, Colorado (the “City”); and

WHEREAS, the Board of Directors of the District (the “Board”) has a duty to perform certain obligations on a recurring basis in order to assure the efficient operation of the District; and

WHEREAS, § 32-1-306, C.R.S., requires the District to file a current, accurate map of its boundaries with the Division of Local Government (the “Division”), the County Assessor and County Clerk and Recorder on or before January 1 of each year; and

WHEREAS, § 32-1-104(2), C.R.S., requires that the District, on or before January 15, file a copy of the notice required pursuant to § 32-1-809(1), C.R.S., with the County Board of County Commissioners (the “Board of County Commissioners”), the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of the municipality in which the District is located, if applicable, and the Division, post the notice as required and make a copy of the notice available for public inspection at the District’s business office; and

WHEREAS, in accordance with § 32-1-809(1), C.R.S., not more than sixty (60) days prior to and not later than January 15 of each year, the District shall provide notice to the District’s eligible electors in the manner set forth in § 32-1-809(2), C.R.S.; and

WHEREAS, pursuant to § 32-1-104.8(1), C.R.S., the District is required to record a public disclosure document and map of the boundaries of the District with the County Clerk and Recorder, such public disclosure document shall contain certain information pertaining to the District as further described in § 32-1-104.8(1), C.R.S., and, pursuant to § 32-1-104.8(2), C.R.S., such public disclosure document and map shall be recorded with the County Clerk and Recorder and such public disclosure document(s) and map(s) shall be recorded with the County Clerk and Recorder at the same time of any decree or order confirming the inclusion of any real property into the boundaries of the District is recorded pursuant to § 32-1-105, C.R.S.; and

WHEREAS, the Local Government Budget Law of Colorado, §§ 29-1-101 to 29-1-115, C.R.S., requires the Board to hold a public hearing on proposed budgets and amendments thereto, to adopt budgets and to file copies of the budgets and amendments thereto with the Division; and

WHEREAS, § 39-5-128, C.R.S., requires the District to certify its mill levy with the Board of County Commissioners on or before December 15; and

WHEREAS, § 29-1-205, C.R.S., requires the District to prepare an informational listing of all contracts in effect with other political subdivisions and submit said list to the Division within thirty (30) days after receiving a written request; and within ten (10) days after execution of a contract establishing a separate governmental entity pursuant to Section 29-1-204, C.R.S., or an amendment or modification thereof, the District must file a copy of such contract, amendment or modification with the Division, pursuant to Section 29-1-204, C.R.S.; and

WHEREAS, in accordance with the Public Securities Information Reporting Act, §§ 11-58-101, *et seq.*, C.R.S., issuers of non-rated public securities must file an annual report with the Department of Local Affairs within sixty (60) days of the close of the fiscal year; and

WHEREAS, in accordance with §§ 29-1-603 and 29-1-606, C.R.S., an annual audit of the financial statements for each fiscal year shall be prepared and submitted to the Board before June 30 and filed with the State Auditor by July 31; and

WHEREAS, pursuant to § 29-1-604(1), C.R.S., any local government where neither revenues nor expenditures exceed One Hundred Thousand Dollars (\$100,000) in any fiscal year commencing on or after January 1, 1998, may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-604(2)(b), C.R.S., any local government where revenues or expenditures for any fiscal year commencing on or after January 1, 2015, are least One Hundred Thousand Dollars (\$100,000) but not more than Seven Hundred and Fifty Thousand Dollars (\$750,000), may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-606(7), C.R.S., if the District has authorized but unissued general obligation debt as of the end of the fiscal year, the District shall submit its audit report or a copy of its application for exemption from audit to the board of county commissioners or the governing body of the municipality that adopted a resolution of approval of the special district pursuant to § 32-1-204.5 or 32-1-204.7, C.R.S.; and

WHEREAS, the Unclaimed Property Act, §§ 38-13-101, *et seq.*, C.R.S., requires that political subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer; and

WHEREAS, §§ 32-1-101, *et seq.*, C.R.S., requires the District to publish certain legal notices in a newspaper of general circulation in the District; and

WHEREAS, the Directors may receive compensation for their services subject to the limitations imposed by §§ 32-1-902(3)(a)(I) & (II), C.R.S.; and

WHEREAS, pursuant to § 32-1-902(1), C.R.S., the Board shall elect officers of the District; and

WHEREAS, the Directors are governed by § 32-1-902(3)(b), C.R.S., which requires a Director to disqualify himself or herself from voting on an issue in which s/he has a conflict of interest, unless the Director has properly disclosed such conflict in compliance with law and files said conflict disclosure statements at least seventy-two (72) hours prior to any regular or special meeting of the District; and

WHEREAS, § 24-6-402(2)(c), C.R.S., specifies the duty of the Board to designate a posting place for notices of meetings (which posting place may be website, social media account, or other official online presence of the District), and requires that notice of such meetings be posted at least twenty-four (24) hours prior to said meeting; and

WHEREAS, § 32-1-903, C.R.S., requires that the Board shall meet regularly at a time and in a place to be designated by the Board and requires that notice of such meetings be posted in accordance with § 24-6-402(2); and

WHEREAS, elections may be held pursuant to the Colorado Local Government Election Code, §§ 1-13.5-101, *et seq.*, C.R.S., Special District Act, §§ 32-1-101, *et seq.*, C.R.S., for the purpose of: (1) electing members of the Board; (2) presenting certain ballot issues to the eligible electors of the District as required by Article X Section 20 of the Colorado Constitution; and (3) presenting certain ballot issues and questions to the eligible electors of the District; and

WHEREAS, § 1-5-102, C.R.S., specifies that the Board shall designate polling places for nonpartisan elections, other than coordinated elections, no later than twenty-five (25) days prior to an election, and, in accordance with § 1-5-102.5, C.R.S., no later than ninety (90) days prior to a coordinated election, the county clerk and recorder, in consultation with the other designated election officials of each political subdivision, shall assure one polling place be designated; and

WHEREAS, § 1-11-103(3) and § 32-1-1101.5, C.R.S., require the District to notify the Division of the results of any elections held by the District within thirty (30) days after the election and to certify results of any election to incur general obligation indebtedness via certified mail to the Board of County Commissioners of each county in which the District is located or to the governing body of the municipality within forty-five (45) days after the election; and

WHEREAS, §§ 32-1-1604, C.R.S., requires the Board to record a notice of authorization of or notice to incur general obligation debt with the County Clerk and Recorder within thirty (30) days of authorizing or incurring said indebtedness; and

WHEREAS, in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S., the Board of County Commissioners or the governing body of the municipality may require the District to file an application for quinquennial finding of reasonable diligence; and

WHEREAS, pursuant to § 32-1-207(3)(c), C.R.S., the District, if requested, may be required to file an annual report with the Board of County Commissioners or the governing body of the municipality in which the District is located, the Division, the State Auditor, the County

Clerk and Recorder and any interested parties entitled to notice pursuant to § 32-1-204(1), C.R.S.; and

WHEREAS, in accordance with the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., the Board is given authority to obtain insurance; and

WHEREAS, in accordance with the Workers' Compensation Act of Colorado, §§ 8-40-101 – 8-47-101, *et seq.*, C.R.S., the District is required to carry workers' compensation coverage for its employees, but the Board members may opt out of such coverage by the methods prescribed in the Workers' Compensation Act of Colorado; and

WHEREAS, pursuant to § 24-72-201, all public records of the District are open for inspection by any person requesting same, and the District Board desires to establish a policy regarding charges for supplying public records; and

WHEREAS, from time to time, authorization is needed for emergency repairs or unanticipated services occurring or needed outside of regularly scheduled Board meetings, and the District Board desires to establish a policy regarding interim expenditure authorization.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2 AS FOLLOWS:

1. The Board directs legal counsel and the District's manager to keep accurate maps on file with the Division of Local Government, County Assessor and County Clerk and Recorder and shall submit any changes to the maps on or before January 1. If there have been boundary changes, the Board directs the District's engineer to prepare an accurate map as specified by the Division of Local Government.
2. The Board directs the District's manager to file a copy of the notice otherwise required by § 32-1-809(1), C.R.S., with the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of the municipality in which the District is located, if applicable, and the Division on or before January 15. The Board hereby names the District's manager, as the contact person for the District. The contact person is authorized, under § 24-10-109(3)(b), C.R.S., to accept notices of claims against the District, and, if any such claim is received must promptly notify the President of the Board and the attorney for the District of such receipt.
3. In accordance with § 32-1-809(1), C.R.S., the Board hereby directs the District's manager, not more than sixty (60) days prior to and not later than January 15 of each year, to provide notice to the District's eligible electors in the manner set forth in § 32-1-809(2), C.R.S.
4. Pursuant to § 32-1-104.8(1), C.R.S., the Board hereby directs the District's legal counsel to prepare and record any amended public disclosure document(s) and

map(s) with the County Clerk and Recorder pursuant to § 32-1-105, C.R.S., should any property be included into the boundaries of the District.

5. The Board directs the District's manager to submit a proposed budget to the Board by October 15, to prepare a final budget, including any amendments thereto, if necessary, and directs the District's manager to schedule a public hearing on the proposed budget, to prepare all budget resolutions and to file the certified copy of the adopted budget with budget message, and all resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy with the Division on or before January 30.
6. The Board directs the District's manager to certify the mill levy with the Board of County Commissioners on or before December 15.
7. The Board directs the District's manager to prepare and file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year.
8. The Board directs the District's auditor to prepare an audit of the financial statements and submit such draft audit to the Board before June 30; further, the Board directs that the auditor file the final audit with the State Auditor by July 31. In the event that the timetable will not be met, the District's auditor and District's accountant are directed to request extensions of time to file the audit as needed. If the District is eligible for an audit exemption under applicable law, then the Board directs that the District's accountant apply for and obtain an audit exemption from the State Auditor on or before March 31.
9. The Board directs the District's accountant and auditor, if the District has authorized but unissued general obligation debt as of the end of the fiscal year, as follows: (1) if the District is eligible for an audit exemption pursuant to §§ 29-1-604(1) or (2), C.R.S., then, pursuant to § 29-1-606(7), C.R.S., the District's accountant shall submit a copy of the District's application for exemption to the Board of County Commissioners or the governing body of the municipality, and (2) if the District is required to submit an annual audit pursuant to §§ 29-1-601, *et seq.*, C.R.S., then, pursuant to § 29-1-606(7), C.R.S., the District's auditor shall submit its audit report to the Board of County Commissioners or the governing body of the municipality.
10. The Board directs the District's manager to prepare the Unclaimed Property Act report and submit the same to the State Treasurer.
11. The Board designates the Golden Transcript as a newspaper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes in the Golden Transcript.

12. Pursuant to § 32-1-901, C.R.S., the District determines that each present and future member of the Board shall have in the District files, with annual confirmation thereof by the District's custodian of public records, a complete and executed Certificate of Appointment (if such Board member is appointed), current Oath of Office and applicable Surety Bond, and that copies of each be submitted to the Division of Local Government and the District Court as necessary and as may be requested.
13. The Board of Directors of the District determines that each director shall not receive compensation for services as directors, at the maximum rate allowed by law, in accordance with 32-1-902(3)(a)(I) & (II), C.R.S. The Board recognizes that the Internal Revenue Service has determined that directors of special districts are considered employees of the district and as such will pay federal employment taxes on the compensation they receive for services performed as a director. The Board, therefore, directs the District's accountant to withhold federal employment taxes from the amount that the directors receive in compensation and to furnish each director with an annual IRS W-2 form.
14. The Board designates the following location as the District's physical posting place for notices of meetings, in addition to any website, social media account, or other official online presence of the District approved by the Board, pursuant to § 24-6-402(2)(c), C.R.S.:

The Retreat at Solterra - 15260 W. Evans Avenue, Lakewood, Colorado

15. The Board determines to hold regular meetings on January 13, March 4, May 4, July 22, August 17, October 19, and December 7, 2020 at 6:30 p.m. at The Retreat at Solterra; 15260 W. Evans Avenue, Lakewood, Colorado in conformance with § 32-1-903(1), C.R.S. The District's manager shall revise the notices when the Board intends to make a final determination to issue or refund general obligation indebtedness, to consolidate the District, to dissolve the District, to file a plan for adjustment of debt under federal bankruptcy law, or to enter into a private contract with a director, or not to make a scheduled bond payment.
16. Sue Blair of Community Resource Services of Colorado, LLC, is hereby appointed as the "Designated Election Official" of the Board for any elections to be held during 2020 and any subsequent year. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including, but not limited to, appointing election judges, appointing a canvass board and cancellation, if applicable, of the election.
17. Independent Mail Ballot Elections. The Board deems it expedient for the convenience of the electors that all regular and special elections of the District shall be conducted as an independent mail ballot election in accordance with

Section 1-13.5-1101, C.R.S., unless a polling place election is deemed necessary and expressed in a separate election resolution.

18. In accordance with § 1-11-103(3) and § 32-1-1101.5, C.R.S., the District directs legal counsel and the Designated Election Official to notify the Division of the results of any elections held by the District within thirty (30) days after the election and to certify results of any election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of the municipality within forty-five (45) days after the election.
19. In accordance with § 32-1-1604, C.R.S., the Board directs legal counsel to record a notice of authorization of or notice to incur general obligation debt with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness.
20. The Board directs the District's manager to prepare and file with the governing body of the municipality in which the District is located, if requested, the quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.
21. The Board directs the District's manager to prepare and file, if requested, the special district annual report.
22. The Board directs the District's Manager, Accountant and Legal Counsel, to provide continuing disclosure service if and as applicable to the bonds and other financial obligations of the District.
23. Pursuant to the provisions of the Colorado Public Deposit Protection Act, § 11-10.5-101, *et seq.*, C.R.S., the Board appoints the District Treasurer as the official custodian of public deposits.
24. The Board directs the District's manager to obtain proposals for insurance to insure the District against all or any part of the District's liability for injury; to insure the Directors acting within the scope of employment by the Board against all or any part of such liability for an injury; to insure against the expense of defending a claim for injury against the District or its Board. The Board will annually review all insurance policies in effect.
25. In accordance with § 8-40-202(1)(a)(I)(B), C.R.S., the Board hereby accepts workers' compensation coverage for individual Board.
26. In accordance with Section 32-1-809, C.R.S., the Board directs the District's manager to post the required notice on the Colorado Special District Association's website, which posting is at no cost to the District since the District is a member of the Association.

- 27. In accordance with Section 24-72-205(6)(a), the District may charge a fee not to exceed twenty-five cents per standard page for a copy of a public record or a fee not to exceed the actual cost of providing a copy, printout, or photograph of a public record in a format other than a standard page. In addition, following one hour of free time, the District may charge a reasonable fee of \$30 per hour for research and retrieval of the requested documents.
- 28. The Board hereby directs the District's President or President's Designee to authorize emergency repairs or unanticipated services in an amount not to exceed \$2,500 without Board consent. Such authorization will be ratified by the Board at the next scheduled Board meeting.

Whereupon, the motion was seconded by Director \_\_\_\_\_ and upon vote, unanimously carried.

ADOPTED AND APPROVED this 13<sup>th</sup> day of January, 2020.

FOSSIL RIDGE METROPOLITAN DISTRICT  
NO. 2

\_\_\_\_\_  
\_\_\_\_\_, President

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, Secretary



**CERTIFICATION**

I, \_\_\_\_\_, Secretary of the Board of Directors of Fossil Ridge Metropolitan Districts No. 2, do hereby certify that the annexed and foregoing resolution is a true copy from the records of the proceedings of the Board of said District on file with Community Resource Services of Colorado, LLC, manager to the District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District this 13<sup>th</sup> day of January, 2020.

\_\_\_\_\_  
\_\_\_\_\_, Secretary

**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3  
ANNUAL ADMINISTRATIVE RESOLUTION  
(2020)**

**CERTIFIED COPY OF RESOLUTION**

STATE OF COLORADO            )  
  ) *ss.*  
COUNTY OF JEFFERSON        )

At the regular meeting of the Board of Directors of Fossil Ridge Metropolitan Districts No. 3, City of Lakewood, Jefferson County, Colorado, held at 6:30 p.m. on Monday, January 13, 2020, at The Retreat at Solterra, 15260 W Evans Avenue, Lakewood Colorado.

Present were the following members of the Board:

- Craig Brown
- Aaron Hochstein
- Mike McCleary
- Daniel Dominic

Also present were:

Sue Blair and Marcos Pacheco; Community Resource Services of Colorado, LLC

When the following proceedings, were had and done, to wit:

It was moved by Director \_\_\_\_\_ to adopt the following Resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3  
CONCERNING ANNUAL ADMINISTRATIVE MATTERS (2020)**

WHEREAS, Fossil Ridge Metropolitan Districts No. 3 (the “District”) was organized as a special district pursuant to an Order of the District Court in and for the County of Jefferson, Colorado (the “County”) and is located entirely within the City of Littleton, Colorado (the “City”); and

WHEREAS, the Board of Directors of the District (the “Board”) has a duty to perform certain obligations on a recurring basis in order to assure the efficient operation of the District; and

WHEREAS, § 32-1-306, C.R.S., requires the District to file a current, accurate map of its boundaries with the Division of Local Government (the “Division”), the County Assessor and County Clerk and Recorder on or before January 1 of each year; and

WHEREAS, § 32-1-104(2), C.R.S., requires that the District, on or before January 15, file a copy of the notice required pursuant to § 32-1-809(1), C.R.S., with the County Board of County Commissioners (the “Board of County Commissioners”), the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of the municipality in which the District is located, if applicable, and the Division, post the notice as required and make a copy of the notice available for public inspection at the District’s business office; and

WHEREAS, in accordance with § 32-1-809(1), C.R.S., not more than sixty (60) days prior to and not later than January 15 of each year, the District shall provide notice to the District’s eligible electors in the manner set forth in § 32-1-809(2), C.R.S.; and

WHEREAS, pursuant to § 32-1-104.8(1), C.R.S., the District is required to record a public disclosure document and map of the boundaries of the District with the County Clerk and Recorder, such public disclosure document shall contain certain information pertaining to the District as further described in § 32-1-104.8(1), C.R.S., and, pursuant to § 32-1-104.8(2), C.R.S., such public disclosure document and map shall be recorded with the County Clerk and Recorder and such public disclosure document(s) and map(s) shall be recorded with the County Clerk and Recorder at the same time of any decree or order confirming the inclusion of any real property into the boundaries of the District is recorded pursuant to § 32-1-105, C.R.S.; and

WHEREAS, the Local Government Budget Law of Colorado, §§ 29-1-101 to 29-1-115, C.R.S., requires the Board to hold a public hearing on proposed budgets and amendments thereto, to adopt budgets and to file copies of the budgets and amendments thereto with the Division; and

WHEREAS, § 39-5-128, C.R.S., requires the District to certify its mill levy with the Board of County Commissioners on or before December 15; and

WHEREAS, § 29-1-205, C.R.S., requires the District to prepare an informational listing of all contracts in effect with other political subdivisions and submit said list to the Division within thirty (30) days after receiving a written request; and within ten (10) days after execution of a contract establishing a separate governmental entity pursuant to Section 29-1-204, C.R.S., or an amendment or modification thereof, the District must file a copy of such contract, amendment or modification with the Division, pursuant to Section 29-1-204, C.R.S.; and

WHEREAS, in accordance with the Public Securities Information Reporting Act, §§ 11-58-101, *et seq.*, C.R.S., issuers of non-rated public securities must file an annual report with the Department of Local Affairs within sixty (60) days of the close of the fiscal year; and

WHEREAS, in accordance with §§ 29-1-603 and 29-1-606, C.R.S., an annual audit of the financial statements for each fiscal year shall be prepared and submitted to the Board before June 30 and filed with the State Auditor by July 31; and

WHEREAS, pursuant to § 29-1-604(1), C.R.S., any local government where neither revenues nor expenditures exceed One Hundred Thousand Dollars (\$100,000) in any fiscal year commencing on or after January 1, 1998, may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-604(2)(b), C.R.S., any local government where revenues or expenditures for any fiscal year commencing on or after January 1, 2015, are least One Hundred Thousand Dollars (\$100,000) but not more than Seven Hundred and Fifty Thousand Dollars (\$750,000), may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-606(7), C.R.S., if the District has authorized but unissued general obligation debt as of the end of the fiscal year, the District shall submit its audit report or a copy of its application for exemption from audit to the board of county commissioners or the governing body of the municipality that adopted a resolution of approval of the special district pursuant to § 32-1-204.5 or 32-1-204.7, C.R.S.; and

WHEREAS, the Unclaimed Property Act, §§ 38-13-101, *et seq.*, C.R.S., requires that political subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer; and

WHEREAS, §§ 32-1-101, *et seq.*, C.R.S., requires the District to publish certain legal notices in a newspaper of general circulation in the District; and

WHEREAS, the Directors may receive compensation for their services subject to the limitations imposed by §§ 32-1-902(3)(a)(I) & (II), C.R.S.; and

WHEREAS, pursuant to § 32-1-902(1), C.R.S., the Board shall elect officers of the District; and

WHEREAS, the Directors are governed by § 32-1-902(3)(b), C.R.S., which requires a Director to disqualify himself or herself from voting on an issue in which s/he has a conflict of interest, unless the Director has properly disclosed such conflict in compliance with law and files said conflict disclosure statements at least seventy-two (72) hours prior to any regular or special meeting of the District; and

WHEREAS, § 24-6-402(2)(c), C.R.S., specifies the duty of the Board to designate a posting place for notices of meetings (which posting place may be website, social media account, or other official online presence of the District), and requires that notice of such meetings be posted at least twenty-four (24) hours prior to said meeting; and

WHEREAS, § 32-1-903, C.R.S., requires that the Board shall meet regularly at a time and in a place to be designated by the Board and requires that notice of such meetings be posted in accordance with § 24-6-402(2); and

WHEREAS, elections may be held pursuant to the Colorado Local Government Election Code, §§ 1-13.5-101, *et seq.*, C.R.S., Special District Act, §§ 32-1-101, *et seq.*, C.R.S., for the purpose of: (1) electing members of the Board; (2) presenting certain ballot issues to the eligible electors of the District as required by Article X Section 20 of the Colorado Constitution; and (3) presenting certain ballot issues and questions to the eligible electors of the District; and

WHEREAS, § 1-5-102, C.R.S., specifies that the Board shall designate polling places for nonpartisan elections, other than coordinated elections, no later than twenty-five (25) days prior to an election, and, in accordance with § 1-5-102.5, C.R.S., no later than ninety (90) days prior to a coordinated election, the county clerk and recorder, in consultation with the other designated election officials of each political subdivision, shall assure one polling place be designated; and

WHEREAS, § 1-11-103(3) and § 32-1-1101.5, C.R.S., require the District to notify the Division of the results of any elections held by the District within thirty (30) days after the election and to certify results of any election to incur general obligation indebtedness via certified mail to the Board of County Commissioners of each county in which the District is located or to the governing body of the municipality within forty-five (45) days after the election; and

WHEREAS, §§ 32-1-1604, C.R.S., requires the Board to record a notice of authorization of or notice to incur general obligation debt with the County Clerk and Recorder within thirty (30) days of authorizing or incurring said indebtedness; and

WHEREAS, in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S., the Board of County Commissioners or the governing body of the municipality may require the District to file an application for quinquennial finding of reasonable diligence; and

WHEREAS, pursuant to § 32-1-207(3)(c), C.R.S., the District, if requested, may be required to file an annual report with the Board of County Commissioners or the governing body of the municipality in which the District is located, the Division, the State Auditor, the County

Clerk and Recorder and any interested parties entitled to notice pursuant to § 32-1-204(1), C.R.S.; and

WHEREAS, in accordance with the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., the Board is given authority to obtain insurance; and

WHEREAS, in accordance with the Workers' Compensation Act of Colorado, §§ 8-40-101 – 8-47-101, *et seq.*, C.R.S., the District is required to carry workers' compensation coverage for its employees, but the Board members may opt out of such coverage by the methods prescribed in the Workers' Compensation Act of Colorado; and

WHEREAS, pursuant to § 24-72-201, all public records of the District are open for inspection by any person requesting same, and the District Board desires to establish a policy regarding charges for supplying public records; and

WHEREAS, from time to time, authorization is needed for emergency repairs or unanticipated services occurring or needed outside of regularly scheduled Board meetings, and the District Board desires to establish a policy regarding interim expenditure authorization.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3 AS FOLLOWS:

1. The Board directs legal counsel and the District's manager to keep accurate maps on file with the Division of Local Government, County Assessor and County Clerk and Recorder and shall submit any changes to the maps on or before January 1. If there have been boundary changes, the Board directs the District's engineer to prepare an accurate map as specified by the Division of Local Government.
2. The Board directs the District's manager to file a copy of the notice otherwise required by § 32-1-809(1), C.R.S., with the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of the municipality in which the District is located, if applicable, and the Division on or before January 15. The Board hereby names the District's manager, as the contact person for the District. The contact person is authorized, under § 24-10-109(3)(b), C.R.S., to accept notices of claims against the District, and, if any such claim is received must promptly notify the President of the Board and the attorney for the District of such receipt.
3. In accordance with § 32-1-809(1), C.R.S., the Board hereby directs the District's manager, not more than sixty (60) days prior to and not later than January 15 of each year, to provide notice to the District's eligible electors in the manner set forth in § 32-1-809(2), C.R.S.
4. Pursuant to § 32-1-104.8(1), C.R.S., the Board hereby directs the District's legal counsel to prepare and record any amended public disclosure document(s) and

map(s) with the County Clerk and Recorder pursuant to § 32-1-105, C.R.S., should any property be included into the boundaries of the District.

5. The Board directs the District's manager to submit a proposed budget to the Board by October 15, to prepare a final budget, including any amendments thereto, if necessary, and directs the District's manager to schedule a public hearing on the proposed budget, to prepare all budget resolutions and to file the certified copy of the adopted budget with budget message, and all resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy with the Division on or before January 30.
6. The Board directs the District's manager to certify the mill levy with the Board of County Commissioners on or before December 15.
7. The Board directs the District's manager to prepare and file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year.
8. The Board directs the District's auditor to prepare an audit of the financial statements and submit such draft audit to the Board before June 30; further, the Board directs that the auditor file the final audit with the State Auditor by July 31. In the event that the timetable will not be met, the District's auditor and District's accountant are directed to request extensions of time to file the audit as needed. If the District is eligible for an audit exemption under applicable law, then the Board directs that the District's accountant apply for and obtain an audit exemption from the State Auditor on or before March 31.
9. The Board directs the District's accountant and auditor, if the District has authorized but unissued general obligation debt as of the end of the fiscal year, as follows: (1) if the District is eligible for an audit exemption pursuant to §§ 29-1-604(1) or (2), C.R.S., then, pursuant to § 29-1-606(7), C.R.S., the District's accountant shall submit a copy of the District's application for exemption to the Board of County Commissioners or the governing body of the municipality, and (2) if the District is required to submit an annual audit pursuant to §§ 29-1-601, *et seq.*, C.R.S., then, pursuant to § 29-1-606(7), C.R.S., the District's auditor shall submit its audit report to the Board of County Commissioners or the governing body of the municipality.
10. The Board directs the District's manager to prepare the Unclaimed Property Act report and submit the same to the State Treasurer.
11. The Board designates the Golden Transcript as a newspaper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes in the Golden Transcript.

12. Pursuant to § 32-1-901, C.R.S., the District determines that each present and future member of the Board shall have in the District files, with annual confirmation thereof by the District's custodian of public records, a complete and executed Certificate of Appointment (if such Board member is appointed), current Oath of Office and applicable Surety Bond, and that copies of each be submitted to the Division of Local Government and the District Court as necessary and as may be requested.
13. The Board of Directors of the District determines that each director shall not receive compensation for services as directors, at the maximum rate allowed by law, in accordance with 32-1-902(3)(a)(I) & (II), C.R.S. The Board recognizes that the Internal Revenue Service has determined that directors of special districts are considered employees of the district and as such will pay federal employment taxes on the compensation they receive for services performed as a director. The Board, therefore, directs the District's accountant to withhold federal employment taxes from the amount that the directors receive in compensation and to furnish each director with an annual IRS W-2 form.
14. The Board designates the following location as the District's physical posting place for notices of meetings, in addition to any website, social media account, or other official online presence of the District approved by the Board, pursuant to § 24-6-402(2)(c), C.R.S.:

The Retreat at Solterra - 15260 W. Evans Avenue, Lakewood, Colorado

15. The Board determines to hold regular meetings on January 13, March 4, May 4, July 22, August 17, October 19, and December 7, 2020 at 6:30 p.m. at The Retreat at Solterra; 15260 W. Evans Avenue, Lakewood, Colorado in conformance with § 32-1-903(1), C.R.S. The District's manager shall revise the notices when the Board intends to make a final determination to issue or refund general obligation indebtedness, to consolidate the District, to dissolve the District, to file a plan for adjustment of debt under federal bankruptcy law, or to enter into a private contract with a director, or not to make a scheduled bond payment.
16. Sue Blair of Community Resource Services of Colorado, LLC, is hereby appointed as the "Designated Election Official" of the Board for any elections to be held during 2020 and any subsequent year. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including, but not limited to, appointing election judges, appointing a canvass board and cancellation, if applicable, of the election.
17. Independent Mail Ballot Elections. The Board deems it expedient for the convenience of the electors that all regular and special elections of the District shall be conducted as an independent mail ballot election in accordance with



Section 1-13.5-1101, C.R.S., unless a polling place election is deemed necessary and expressed in a separate election resolution.

18. In accordance with § 1-11-103(3) and § 32-1-1101.5, C.R.S., the District directs legal counsel and the Designated Election Official to notify the Division of the results of any elections held by the District within thirty (30) days after the election and to certify results of any election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of the municipality within forty-five (45) days after the election.
19. In accordance with § 32-1-1604, C.R.S., the Board directs legal counsel to record a notice of authorization of or notice to incur general obligation debt with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness.
20. The Board directs the District's manager to prepare and file with the governing body of the municipality in which the District is located, if requested, the quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.
21. The Board directs the District's manager to prepare and file, if requested, the special district annual report.
22. The Board directs the District's Manager, Accountant and Legal Counsel, to provide continuing disclosure service if and as applicable to the bonds and other financial obligations of the District.
23. Pursuant to the provisions of the Colorado Public Deposit Protection Act, § 11-10.5-101, *et seq.*, C.R.S., the Board appoints the District Treasurer as the official custodian of public deposits.
24. The Board directs the District's manager to obtain proposals for insurance to insure the District against all or any part of the District's liability for injury; to insure the Directors acting within the scope of employment by the Board against all or any part of such liability for an injury; to insure against the expense of defending a claim for injury against the District or its Board. The Board will annually review all insurance policies in effect.
25. In accordance with § 8-40-202(1)(a)(I)(B), C.R.S., the Board hereby accepts workers' compensation coverage for individual Board.
26. In accordance with Section 32-1-809, C.R.S., the Board directs the District's manager to post the required notice on the Colorado Special District Association's website, which posting is at no cost to the District since the District is a member of the Association.

- 27. In accordance with Section 24-72-205(6)(a), the District may charge a fee not to exceed twenty-five cents per standard page for a copy of a public record or a fee not to exceed the actual cost of providing a copy, printout, or photograph of a public record in a format other than a standard page. In addition, following one hour of free time, the District may charge a reasonable fee of \$30 per hour for research and retrieval of the requested documents.
  
- 28. The Board hereby directs the District's President or President's Designee to authorize emergency repairs or unanticipated services in an amount not to exceed \$2,500 without Board consent. Such authorization will be ratified by the Board at the next scheduled Board meeting.

Whereupon, the motion was seconded by Director \_\_\_\_\_ and upon vote, unanimously carried.

ADOPTED AND APPROVED this 13<sup>th</sup> day of January, 2020.

FOSSIL RIDGE METROPOLITAN DISTRICT  
NO. 3

\_\_\_\_\_  
\_\_\_\_\_, President

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, Secretary

**CERTIFICATION**

I, \_\_\_\_\_, Secretary of the Board of Directors of Fossil Ridge Metropolitan Districts No. 3, do hereby certify that the annexed and foregoing resolution is a true copy from the records of the proceedings of the Board of said District on file with Community Resource Services of Colorado, LLC, manager to the District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District this 13<sup>th</sup> day of January, 2020.

\_\_\_\_\_  
\_\_\_\_\_, Secretary

## Engagement of a Municipal Advisor

Recommend the FRMD approach Ehlers regarding engagement as a municipal advisor for 2020 and potentially beyond (annually renewable retainer engagement is an option). They should be well aware of the Service Plan calling for New Bonds to be issued in 2020 as well as the ongoing efforts by Brookfield (including its financial and legal consultants) to push for new bonds (basically GO issuance up to total authorization of \$70 million) as soon as possible. Further, they understand that FRMD carries the December 1st call date for all three outstanding bond series: 2010, 2014 and 2016. Our current preference is to execute a current refunding whereby tax-exempt bonds are priced and sold along with new money proceeds. There are a number of issuers looking to the bank purchaser marketplace for what are referred to as "Cinderella" bonds - taxable bonds issued today that convert to tax-exempt. Other Metro Districts are also executing forward-delivery bonds whereby the tax-exempt refunding bonds are priced today, with the closing scheduled many months in the future within the current refunding window (90 days or fewer to the call date).

We should seek an engagement with Ehlers where they provide us with the following services (Ehlers may frame this differently or use different terminology in their proposal, but we will arrive at effectively the same place):

### Refunding Analysis

- Complete analysis surrounding full-suite of current market refunding opportunities (assume matched maturity, level annual savings structure for each outstanding series and cash out of DSR Fund for 2010 Bonds)
- Analysis that frames our interest rate risk to wait until all Existing Bonds are currently refundable
- Recommendation regarding best course of action to capture refunding savings balanced with risk/ foregone opportunity cost

### New Money Analysis

- In the context of executing a refunding issue, what is the District's capacity to issue new bonds, but maintain our investment grade, "BBB" credit profile
- Note: FRMD is willing to consider another "wraparound" new money issue along with level debt service principal amortization structure
- Note: FRMD is most likely going to go to market once with combined refunding/ new money issue

### Bond Rating (Credit) Analysis

- Analysis regarding FRMD's current credit profile and bond rating (are we still "BBB" rated or better?).
- The impact of the refunding and new money issue should be taken into account within the rating analysis, i.e. current credit status and proforma credit profile post 2020 issuance.
- Provide view on credit impact surrounding the District's legal activities/ challenges, resident controlled Board, additional capacity to raise taxes for debt service and/or operations within mileage limits, cash reserves accumulated, near-completion of neighborhood build-out, current and future tax base, etc.
- Recommendation regarding use of debt service fund reserves to buy-down outstanding bond debt and likely impact to bond rating. What level of reserves should be net following the 2020 issuance?

### Market Access / Procurement

- Benefits / Disadvantages analysis for accessing public markets with bond rating (and potentially insurance) vs. private placement/ bank direct purchase.
- Considering the refunding structure opportunities and new money offering, recommendation regarding the best course of action and approach to procure for underwriting and/or private placement services.

### Bond Issue Execution

- Assist in the preparation of an RFP for underwriting and/or private placement services
- Assist in the distribution, collection and analysis of RFP responses for underwriting and/or private placement services and provide recommendations on selection and best course of action
- Present results to FRMD Board and be available for any other Board or Finance Committee meetings
- Assemble financing team and prepare working group distribution list and calendar of events for timely, efficient preparation, pricing and closing of bonds

- Assist in the preparation of rating agency credit package (presentation) materials and coordinate rating meetings and/or site visits
- Assist in document review and preparation, including Preliminary Official Statement or other offering documents, bond resolution(s), bond purchase agreement, etc.
- Provide recommendations with regard to timing for market access
- Update and provide bond sizing analysis and cash flows throughout financing process
- Negotiate and collect fees for financing team members and provide complete costs of issuance detail
- Provide guidance on escrow structure and securities, as applicable
- In preparation for pricing, provide pricing analysis/comparables for guidance on pricing and negotiate with underwriter(s) on pricing day to achieve optimal interest rate and structural outcomes
- Assist in preparation for closing including finalization of documents and flow of funds memorandum
- Complete any other duties or activities reasonable and beneficial to FRMD consistent with the Municipal Advisor's fiduciary duty

#### Other Services

- Review debt structure on an ongoing basis to identify market opportunities for savings or to reduce risk
- Assist in rating agency reviews and prepare credit package materials, as requested
- Review and prepare analysis for District outside of the course of bond issuance process, i.e. special projects related to additional bond issuance
- Be available, as requested, for FRMD Board and/or Finance Committee meetings
- Share working credit or bond sizing models with FRMD, as requested by the Board
- Assist in the annual budget and audit processes, as requested
- Assist in the preparation, review and filing of required continuing disclosure information and ensure the District meets its continuing disclosure obligations
- Receive and review unsolicited proposals from outside parties, as requested, particularly from investment or commercial bankers

Ehlers may have other items to include in scope and we should consider their suggestions. This list is fairly comprehensive, but their proposal for Metro Districts may include other items.

Consider asking them to provide two different proposals:

- (1) 2020 Bond Issuance only (likely to not include some of the items in Other Services above)
- (2) 2020 Bond Issue plus annually renewable retainer engagement

# FOSSIL RIDGE METROPOLITAN DISTRICT NOS. 1-3

## FINANCIAL PROCESSES

Revision: January 8, 2020

### FINANCIAL STATEMENTS:

- Monthly financial statements will no longer be included in Board meeting packet.
- CRS will prepare and provide to the Finance Committee quarterly financial statements for review prior to inclusion into Board meeting packets.
- CRS will include the quarterly financial statements in Board meeting packets at the next regularly scheduled Board meeting for review/acceptance by the Board.
- CRS will provide a cash position statement at every regularly scheduled Board meeting.
- Cash position statements and accepted quarterly financial statements will be posted on the District's website after Board acceptance.

### ACCOUNTS PAYABLE:

- CRS will process all accounts payable.
- Checks will be processed twice per month.
- All checks (including backup) will be delivered to the President of FRMD#1 and scanned to the Treasurer for each District for review and approval. In addition, Terry Larson will receive engineering invoices to approve for payment.
- If CRS does not receive approval from the Treasurers and/or Terry Larson within 5 days, they will reach out again requesting approval of the payables.
- Executed checks will be picked up by CRS staff for distribution.
- Paid invoice listings will be included in the regular Board Meeting packets for ratification by the Board.
- If applicable, a list of current invoices to be paid will be presented to the Board for approval at scheduled meetings.
- Overlook will provide invoices received and approved by Overlook to CRS.
- Overlook will date stamp when they receive invoices.
- CRS will pick up operations invoices approved for payment by Overlook on a weekly basis (usually on Wednesdays).
- CRS will date stamp receipt of invoices from Overlook.
- CRS will coordinate transfer of funds from the Citibank checking account managed by Overlook on a quarterly basis (or as needed) to fund approved payables.
- In addition to the payables' listings provided in the Board packets, CRS will provide Overlook, the Treasurers and the President of D1 with copies of all payables packets (voucher listing and accompanying invoices) approved by the Board in pdf format.

### CAPITAL PROJECT INVOICES

- Invoices or pay applications are sent by contractors to District Engineer for review and approval.

- District Engineer to certify costs stating that the costs are related to the Public Improvements and are reasonable and have been verified (pursuant to Resolution of the Board Regarding Acceptance of District Eligible Costs).
- Engineer will certify that the costs are associated with public improvements.
- District Engineer forwards certification, invoices or pay applications to CRS accounting manager after review and approval for payment.
- CRS creates a spreadsheet of invoices due and attaches copies of invoices for submission to Brookfield requesting developer advance. List is sent to Melissa Little at Brookfield. CRS to confirm timing of developer advance payment and confirm receipt of wire transfer into ColoTrust account.
- Brookfield wires developer advance funds to District's ColoTrust account; transfers made to BBVA Bank as needed (District's checking account).
- Checks are processed for payment, accounts payable list is emailed to District 1 Board President for review, and checks are signed by the President or Treasurer of FRMD #1.
- Copies of checks, check register, and affidavit attesting that the listed checks were paid by CRS is emailed to Brookfield.
- Payment of claims is ratified by quorum of the Board at the next regular meeting.
- A sub-account in ColoTrust has been established for contract retainages. Monies will be transferred from the general ColoTrust account to the newly created retainage account.

**BUDGET PROCESS:**

- By the end of July, each Committee will provide to CRS preliminary funding requests for next year's budget.
- CRS will work with the Treasurers and Finance Committee to adjust year-end estimates based on timing of expenditures.
- CRS/Overlook to prepare preliminary budget incorporating requests and other budget line items.
- A meeting will be scheduled for CRS/Overlook and the Finance Committee to review preliminary budget and develop a list of recommendations for the Boards to consider.
- Preliminary budget emailed to the Boards no later than October 15<sup>th</sup> (statutory deadline).
- The preliminary budget will not be available to the public until October 15<sup>th</sup>.
- Board to schedule a meeting for the community to comment on the budget.
- CRS/Overlook to meet with Finance Committee to finalize budget.
- Publication of Notice of Public Hearing to Adopt the Annual Budgets at the December Board meeting.
- Mill levies certified to the County no later than December 15<sup>th</sup>.
- Adopted budgets filed with DOLA no later than January 30 of following year.

**RECOMMENDED FINANCE COMMITTEE RESPONSIBILITIES (ADVISORY):**

- Review of quarterly financial statements
- Review of annual audit
- Review of annual budget
- Research Projects, i.e., developer advances and certified costs