

MINUTES OF A JOINT SPECIAL MEETING OF THE BOARDS OF DIRECTORS

OF

SADDLE ROCK SOUTH AUTHORITY,
SADDLE ROCK SOUTH METROPOLITAN DISTRICT NO. 3, &
SADDLE ROCK SOUTH METROPOLITAN DISTRICT NO. 4

Held: Thursday, the 9th day of September, 2021, at 2:30 P.M.

The meeting was held via teleconferencing.

ATTENDANCE

The meeting was held in accordance with the laws of the State of Colorado. The following directors were in attendance:

Authority Designees:

James Quarles
Jason Inzer
Marie B. Hensler

Authority Alternate Designees:

Robert Childs

District No. 3:

James Quarles
Jordan Rigberg

District No. 4:

Rodney Alpert
Carol Bransfield
Marie Hensler
Robert Childs
Robin Childs

Also present were: Jennifer Gruber Tanaka, Esq. and Audrey G. Johnson, Esq., WHITE BEAR ANKELE TANAKA & WALDRON, Authority and District general counsel; Ashley B. Frisbie, WHITE BEAR ANKELE TANAKA & WALDRON, Authority and District Manager; Bill Flynn, Simmons & Wheeler, PC, Authority and District Accountant; Andy Carroll, Security Officer; Bradley A. Simons, PE, MMI Water Engineers, LLC, Authority Engineer; Jennifer Thomas, Front Range Recreation, Inc. (“FRR”) (for a portion of the meeting); and Paula Turachak, resident (for a portion of the meeting).

ADMINISTRATIVE MATTERS

Call to Order

The meeting was called to order.

Declaration of Quorum and Confirmation of Director Qualifications

Ms. Frisbie noted that a quorum for the Saddle Rock South Authority (“Authority”) and for each of the Saddle Rock South Metropolitan District Nos. 3 and 4 (individually, “District No. 3” and “District No. 4”, and, collectively, the “Districts”) was

present and that the directors had confirmed their qualification to serve.

It was noted that there was not a quorum present for the Saddle Rock South Metropolitan District No. 2.

Reaffirmation of Disclosures of Potential or Existing Conflicts of Interest

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

Combined Meetings

The Authority and the Districts are meeting in a combined meeting. Unless otherwise noted below, and as applicable, the matters set forth below shall be deemed to be the actions of the Authority and the Districts, collectively.

Approval of Agenda

Ms. Frisbie presented the Boards with the agenda for the meeting. Upon motion of Mr. Quarles, seconded by Mr. Inzer, the Boards unanimously approved the agenda as presented.

Excusal of Absence

The Boards noted the absence of Ms. Taylor. Upon motion of Mr. Quarles, seconded by Mr. Inzer, the Boards unanimously excused her absence.

PUBLIC COMMENT

None.

CONSENT AGENDA MATTERS

The Boards were presented with the consent agenda items. Upon motion of Mr. Alpert, seconded by Ms. Hensler, the Boards unanimously took the following actions:

- a. District Nos. 3 and 4 Matters
 - i. Approved Board Meeting Minutes from July 8, 2021 Special Meeting
 - ii. Accepted Unaudited Financial Statements as of June 30, 2021
- b. Authority Matters
 - i. Approved Board Meeting Minutes from July 8, 2021 Special Meeting

- ii. Ratified Payment of Claims as of September 9, 2021 (\$132,568.04)
- iii. Accepted Unaudited Financial Statements as of June 30, 2021
- iv. Ratified Air Conditioning Unit Repair Work by Mechanical Solutions, Inc.
- v. Ratified Addenda to the Independent Contractor Agreement with Keesen Landscape Management, Inc. (“Keesen”) for the following:
 - (a.) Addendum No. 9 for Initial Cleanup and Ongoing Maintenance of Landscaping near Pond H-11(E)
 - (b.) Addendum No. 10 for Grading Work Behind S. Perth Way (\$900.00)

**FACILITIES
MANAGEMENT
MATTERS**

Clubhouse Ms. Thomas provided the Boards with an update on the clubhouse. Ms. Hensler inquired about clubhouse reservations and activity. Ms. Thomas indicated that she would provide the clubhouse activity report to Ms. Frisbie for circulation to the Boards.

Pool Season Ms. Thomas provided the Boards with an update on the pool season, noting that the new plaster looks good and has held well. Ms. Thomas reported that the pools closed on September 6, 2021, and that an increase in management costs are anticipated for the 2022 season due to anticipated increases in insurance premiums.

ENGINEER’S MATTERS

Engineer’s Report Mr. Simons presented his Engineer’s Report to the Boards, noting that a private property water discharge issue off of S. Shawnee Street appears to have been resolved.

Detention Ponds

Pond I-7 Underdrain Discharge Relocation Mr. Simons provided an update on the Pond I-7 underdrain discharge relocation, noting that the Saddle Rock East Master Association had previously agreed to the connection. Mr. Simons reported that he requested three proposals for the relocation work. One contractor provided a proposal, while two of the three contractors did not respond to the request for proposals.

Proposal from Sunny Day Concrete, LLC for Mr. Simons presented the Boards with the proposal from Sunny Day Concrete, LLC for the Underdrain Discharge Relocation, in the amount of \$6,800.00.

Underdrain Discharge Relocation	Following discussion, upon motion of Ms. Hensler, seconded by Mr. Quarles, the Boards unanimously approved the proposal.
Proposals for Installation of Maintenance Access Trail to Pond H-11(E)	Mr. Simons presented the Boards with proposals from WYOCO Erosion Control, Inc. and Edelta, Inc. for Installation of a Maintenance Access Trail to Pond H-11(E). Following discussion, upon motion of Mr. Quarles, seconded by Ms. Hensler, the Boards unanimously approved the proposal from Edelta, Inc. for Installation of a Maintenance Access Trail to Pond H-11(E), in the amount of \$12,583.00.
Cost Allocation and Reimbursement Agreement by and between the Authority and DRM Construction, LLC d/b/a Montano Homes	The Boards reviewed the Cost Allocation and Reimbursement Agreement by and between the Authority and DRM Construction, LLC d/b/a Montano Homes related to the installation of the Maintenance Access Trail to Pond H-11(E). Following discussion, upon motion of Mr. Inzer, seconded by Mr. Alpert, the Boards unanimously approved the agreement.
Pond L-5 Rehabilitation Work	Mr. Simons reported that he requested three proposals for the Pond L-5 Rehabilitation Work. Two contractors provided a proposal, while one of the contractors has indicated that their proposal is still in process.
Proposals for Pond L-5 Rehabilitation Study	Mr. Simons presented the Boards with proposals from Westwood Professional Services, Inc. and Point Consulting, LLC for the Underdrain Discharge Relocation. Following discussion, upon motion of Ms. Hensler, seconded by Mr. Quarles, the Boards unanimously approved the proposal from Point Consulting, LLC for the Underdrain Discharge Relocation, in the amount of \$14,700.00.
Proposals to Establish Boundaries of Pond H-11(W)	Mr. Simons informed the Boards that proposals were solicited from surveyors to locate the property pins for Pond H-11(W) and its associated tract. Following discussion, Mr. Simons recommended that the Boards defer this matter, as there is not currently any development on the adjacent commercial lot. The Authority will plan to maintain the tract based off of boundary information provided by the developer's engineer.
Proposal from Standard Lumber & Hardware Co. d/b/a Standard Fence	Mr. Simons presented the Boards with a proposal from Standard Lumber & Hardware Co. d/b/a Standard Fence Company for Installation of the East Pool Playground Access Gate, noting that

Company for Installation of East Pool Playground Access Gate

the contractor has already performed the repair work to the pool entry gates, as the gates were in need of immediate repair.

Following discussion, upon motion of Mr. Quarles, seconded by Mr. Inzer, the Boards unanimously approved the proposal.

FINANCIAL MATTERS

2020 Audits (Authority and District No. 4)

Mr. Flynn reviewed the 2020 Audits with the Boards of the Authority and District No. 4. Mr. Flynn noted that the auditor is prepared to issue a clean, unqualified opinion, which is the best opinion that can be given.

Upon motion of Mr. Quarles, seconded by Ms. Hensler, the Authority Board unanimously accepted the 2020 audit and approved the execution of the client representation letter, subject to receipt of a clean, unqualified opinion, and directed Mr. Flynn to file as required.

Upon motion of Ms. Bransfield, seconded by Ms. Hensler, the Board of District No. 4 unanimously accepted the 2020 audit and approved the execution of the client representation letter, subject to receipt of a clean, unqualified opinion, and directed Mr. Flynn to file as required.

2022 Budget Matters

2021 Preliminary Assessed Valuations

The Boards reviewed the 2021 preliminary assessed valuations provided by the Arapahoe County Assessor's office. It was noted that the preliminary valuations are as follows:

District No. 2: \$23,979,355 (an increase of \$836,777)
District No. 3: \$22,719,196 (an increase of \$2,609,391)
District No. 4: \$44,548,625 (an increase of \$642,475)

The final assessed valuations are due by no later than December 10, 2021.

Set Budget Hearing Dates

Ms. Frisbie noted that the current date scheduled for the 2022 budget hearings is November 11, 2021, at 2:30 P.M. The Boards confirmed the hearing date.

Draft 2022 Budgets and Budget Committee Update

Ms. Frisbie reported that the Budget Committee is planning to meet prior to October 15, 2021, to discuss the details of the 2022 Budgets.

**DISTRICT MANAGER
MATTERS**

Management Report

Ms. Frisbie presented her Management Report to the Boards.

Independent Contractor Agreement with Keesen for Snow Removal Services for 2021-2022 Winter Season

Ms. Frisbie presented the Boards with the Independent Contractor Agreement with Keesen for Snow Removal Services for the 2021-2022 Winter Season, noting that there is a slight increase in rates from the prior season.

Following discussion, upon motion of Ms. Hensler, seconded by Mr. Quarles, the Boards unanimously approved the Independent Contractor Agreement with Keesen for Snow Removal Services for the 2021-2022 Winter Season.

Addendum No. 11 to the Independent Contractor Agreement with Keesen for 2021 Holiday Lighting

Ms. Frisbie presented the Boards with Addendum No. 11 to the Independent Contractor Agreement with Keesen for 2021 Holiday Lighting.

Following discussion, upon motion of Mr. Quarles, seconded by Ms. Hensler, the Boards unanimously approved Addendum No. 11 to the Independent Contractor Agreement with Keesen for 2021 Holiday Lighting, in the amount of \$10,738.88.

Resident Request for Additional Pet Waste Station on E. Hinsdale Avenue

Ms. Frisbie informed the Boards that a resident has requested that an additional pet waste station be installed off of E. Hinsdale Avenue, in the vicinity of S. Ukraine Street and S. Tempe Court, as there is not currently a pet waste station in the immediate vicinity.

Following discussion, upon motion of Mr. Quarles, seconded by Ms. Hensler, the Boards unanimously approved the purchase and installation of a pet waste station off of E. Hinsdale Avenue, in the vicinity of S. Ukraine Street and S. Tempe Court.

Discuss Clubhouse Technology Options Available for Hybrid Meetings

Ms. Frisbie presented the Boards with technology options available for hybrid meetings at the clubhouse. Following discussion, the Boards determined to defer this matter and to continue holding meetings via virtual platform.

Resolution Designating the Location of Regular Meetings

Ms. Frisbie presented the Boards with Resolution No. 2021-09-01: Joint Resolution Designating the Location of Regular Meetings.

Following discussion, upon motion of Mr. Inzer, seconded by Ms. Hensler, the Boards unanimously adopted the resolution.

SAFETY AND SECURITY COMMITTEE MATTERS

General Update

Mr. Carroll provided a general security update to the Boards. Mr. Carroll shared the community crime map with the Boards and reported that there is not a lot of criminal activity in the boundaries of the Authority; however, there appears to be a lot of criminal activity in neighboring communities. Mr. Carroll reminded everyone to not engage directly with criminals, as violent crimes have increased dramatically.

Neighborhood Watch Update

There was no update at this time.

Status of Security Camera Operations

There was no update at this time.

Proposal for Installation of Additional Solar Lights

Mr. Carroll presented the Boards with a proposal for the purchase and installation of additional solar lights, in the approximate amount of \$1,200 per light.

Following discussion, upon motion of Mr. Quarles, seconded by Mr. Inzer, the Boards unanimously approved the proposal and directed Mr. Carroll to purchase and install six solar lights at the east pool area and adjacent playground.

DIRECTORS' MATTERS

There were no Directors' Matters.

LEGAL MATTERS

Collections Matters

Ms. Johnson provided an update on collections matters, noting that there is currently \$8,651.60 outstanding from 4 collection and foreclosure files.

OTHER BUSINESS

Next Meeting

The next regular meeting of the Authority and the Districts is scheduled for November 11, 2021, at 2:30 P.M.

ADJOURNMENT

There being no further business to be conducted, the meeting was adjourned.

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

Marie B Hensler

Marie B Hensler (Dec 8, 2021 11:05 MST)

Secretary for the Authority

Jordan Rigberg

Jordan Rigberg (Dec 7, 2021 7:43 MST)

Secretary for District No. 3

Carol J Bransfield

Carol J Bransfield (Dec 7, 2021 16:06 MST)

Secretary for District No. 4