

RECORD OF PROCEEDINGS

MINUTES OF THE CONSOLIDATED REGULAR MEETING OF SEVERANCE SOUTH METROPOLITAN DISTRICT NOS. 1-4

HELD
November 16, 2023

The Consolidated Regular Meeting of Severance South Metropolitan District Nos. 1-4 was held via MS Teams and teleconference on Thursday, November 16, 2023, at 10:00 a.m.

ATTENDANCE

Directors in Attendance:

Kris Pickett, President & Chairperson
Eric McCarty, Secretary & Treasurer
Lar Voss, Asst. Secretary & Asst. Treasurer
Thomas Donkle, Director

Directors Absent, but Excused:

Jana Pickett, Asst. Secretary

Also in Attendance:

Joan Fritsche; Fritsche Law, LLC
Bryan Newby, Kieyesia Conaway, and Jennifer Ondracek; Pinnacle Consulting Group, Inc.

ADMINISTRATIVE ITEMS

Call to Order: The Regular Meeting of the Boards of Directors (collectively, the “Boards”) of the Severance South Metropolitan District Nos. 1-4 (collectively, the “District”) was called to order by Mr. Newby at 10:01 a.m.

Consolidated Meetings: The Boards of Directors determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts at such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be action of all the Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

Declaration of Quorum/Director Qualifications/Disclosure of Potential Conflicts of Interest: Ms. Fritsche noted that a quorum was present, with four out of five Directors in attendance. All Board Members confirmed their qualifications to serve on the Boards. Ms. Fritsche advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Fritsche reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State’s Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado

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law, and those disclosures were acknowledged by the Boards. Ms. Fritsche inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Boards determined that the participation of the Directors present was necessary to obtain a quorum or to otherwise enable the Boards to act.

Approval of Agenda: The Boards considered the approval of the agenda. Following review and discussion, upon a motion duly made by Director Donkle, seconded by Chairman Pickett, and upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as presented.

Public Comment: There were no Public Comments received.

Director Comment: There were no Director Comments received.

CONSENT AGENDA

Mr. Newby reviewed the items on the consent agenda with the Boards. Mr. Newby advised the Boards that any item may be removed from the consent agenda to the regular agenda upon the request of any Director. No items were requested to be removed from the consent agenda. Upon a motion duly made by Chairman Pickett, Seconded by Director McCarty, the following items on the consent agenda were unanimously approved, ratified, and adopted:

- A. Approval of Minutes – November 17, 2022, Regular Meeting.
 - B. Payment of Claims.
 - C. Unaudited Financial Statements as of September 30, 2023.
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FINANCIAL MATTERS

2022 Audit Exemptions for District Nos. 1-4: Ms. Ondracek presented the 2022 Applications for Exemption from Financial Audit for District Nos. 1-4 to the Boards and answered questions. Following review and discussion, upon a motion duly made by Chairman Pickett, seconded by Director McCarty, and upon vote, unanimously carried, it was

RESOLVED to ratify the 2022 Applications for Exemption from Financial Audit for District Nos. 1-4, as presented.

Cash Position Statements: Ms. Ondracek presented the Cash Position Statement for the period ending November 16, 2023 to the Boards and

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answered questions. Following review and discussion, upon a motion duly made by Chairman Pickett, seconded by Director Donkle, and upon vote, unanimously carried, it was

RESOLVED to approve the Cash Position statements for the period ending November 16, 2023.

2024
BUDGET HEARINGS

Upon motion made by Director Voss, seconded by Director McCarty, Mr. Newby opened the 2024 Budget Hearings for Severance South Metropolitan District Nos. 1-4. Mr. Newby reported that notice of the budget hearings was published on November, 1, 2023, in the *Greeley Tribune*, in accordance with state budget law. Ms. Ondracek reviewed the mill levies, estimated revenues, and expenditures in detail and answered questions. The budgets for the Districts are as follows:

District No. 1
General Fund: \$137,066
Debt Service Fund: \$150,000

District No. 2
Mill Levy: 50.047 mills
General Fund: \$428,912

District No. 3
Mill Levy: 53.195 mills
General Fund: \$10,757

District No. 4
Mill Levy: 50.189 mills
Debt Service Fund: \$118,545

There being no public input, upon motion made by Director Voss, seconded by Chairman Pickett, the public portion of the budget hearings was closed. After further review and discussion, upon a motion duly made by Director McCarty, seconded by Chairman Pickett, and upon vote, unanimously carried, it was

RESOLVED to approve the Resolutions to Adopt the 2024 Budgets for Severance South Metropolitan District Nos. 1-4, set the mill levies, and appropriate budgeted funds upon final certification of values being received by Weld County on or before December 15, 2023, and approve all other documents related to the 2024 budgets. The District Manager is authorized to make minor modifications that may be necessary following receipt of final assessed values.

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2023 Audit Exemptions for District Nos. 1-4: Ms. Ondracek discussed the process from the 2023 Applications for Exemption of Financial Audit for District Nos. 1-4. Following discussion, upon a motion duly made by Chairman Pickett, seconded by Director McCarty, and upon vote, unanimously carried, it was

RESOLVED to authorize the 2023 Applications for Exemption from Financial Audit for District Nos. 1-4 to be completed by Pinnacle Consulting Group, approved by the Directors for filing with the State, and presented to the Boards for ratification.

LEGAL MATTERS

John Law Ditch Relocation and Easement Agreement: Ms. Fritsche presented the John Law Ditch Relocation and Easement Agreement to the Boards and answered questions. Following review and discussion, upon a motion duly made by Chairman Pickett, seconded by Director McCarty, and upon vote, unanimously carried, it was

RESOLVED to approve the John Law Ditch Relocation and Easement Agreement.

Water Service Agreement with North Weld County Water District: Chairman Pickett and Ms. Fritsche discussed the terms and status of Water Service Agreement with North Weld County Water District with the Boards and answered questions.

2024 Insurance Coverage: Ms. Fritsche discussed the 2024 Insurance Coverage options with the Boards and answered questions. Following review and discussion, upon a motion duly made by Director Voss, seconded by Director McCarty, and upon vote, unanimously carried, it was

RESOLVED to decline Workers' Compensation Coverage and Property and Liability Coverage through the CSDP Pool because the Directors do not receive compensation and the District currently does not own any assets, and to reinstate the Directors' Surety Bond coverage through 2024, or until the Districts require additional coverage.

2024 Consolidated Annual Administrative Matters Resolution: Ms. Fritsche presented the 2024 Consolidated Annual Administrative Matters Resolution to the Boards and answered questions. Director McCarty requested that the resolution reflect appointment of Director Donkle to the position of Vice President and Director J. Pickett to the position of

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Assistant Secretary. Following review and discussion, upon a motion duly made by Director Voss, seconded by Director McCarty, and upon vote, unanimously carried, it was

RESOLVED to approve the 2024 Consolidated Annual Administrative Matters Resolution as amended.

2023 Legislative Update: Ms. Fritsche presented 2023 Legislative Update to the Boards and answered questions.

DIRECTOR
ITEMS

There were no Director Items to come before the Boards.

OTHER
MATTERS

Development Update: Chairman Pickett presented the Development Update to the Boards and answered questions.

ADJOURNMENT

There being no further business to come before the Boards, the meeting was adjourned at 11:14 a.m.

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

Respectfully submitted,

Kiyesia Conaway

For Jenna Pettit, Recording Secretary for the Meeting