

RECORD OF PROCEEDINGS

MINUTES OF THE COORDINATED REGULAR MEETINGS OF

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 2
SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 3
SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 4

HELD
November 17, 2021

The Regular Meeting of the Boards of Directors (collectively, "Board") of Severance South Metropolitan District No. 1, Severance South Metropolitan District No. 2, Severance South Metropolitan District No. 3, and Severance South Metropolitan District No. 4 (collectively, "Districts") was held via MS Teams, on Wednesday, November 17, 2021, at 10:00 A.M.

ATTENDANCE

Directors in Attendance: (Via Video/Teleconference)

Kris Pickett, President & Chairman
Eric McCarty, Secretary/Treasurer
Lar Voss, Asst. Secretary/Treasurer
Jana Pickett, Asst. Secretary/Treasurer

Also in Attendance: (Via Video/Teleconference)

Joan Fritsche, Esq.; Fritsche Law, LLC.
Kammy Tinney, Elaina Cobb, Geol Scheirman, Irene McCaffrey, Joan Howell,
and Jason Woolard; Pinnacle Consulting Group, Inc.
Jack Holler; Windsor LV, LLC

CALL TO ORDER

The Regular Meeting of the Boards of Directors of Severance South Metropolitan District Nos. 1, 2, 3 and 4 was called to order by Chairman Pickett at 10:03 A.M. Ms. Tinney noted that a quorum was present for each of the Boards. All Board Members also confirmed that prior to the meeting they had been notified of the meeting and all Board Members confirmed their qualification to serve on the Boards.

Combined 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.

Agenda: The Board reviewed the agenda. Following discussion, upon motion duly made by Director Voss, seconded by Director McCarty and, upon unanimous vote, it was

RESOLVED to approve the agenda, as amended to add item II. G. Engagement of Adams Group for the 2021 Audit for District 1.

RECORD OF PROCEEDINGS

Approval of Minutes: The Board reviewed the minutes of the October 13, 2021 special meeting. Following discussion, upon motion duly made by Director Voss, seconded by Director McCarty and, upon vote, unanimously carried, it was

RESOLVED to approve the minutes of the October 13, 2021 special meeting.

Public Comment: There was no public in attendance.

FINANCIAL MATTERS

Ratification and Approval of Claims: Ms. McCaffrey presented the claims listing for the period September 1, 2021 through October 31, 2021, totaling \$11,861.70 for Board consideration and ratification of approval. Following discussion, upon motion duly made by Director Voss, seconded by Director McCarty and, upon vote, unanimously carried, it was

RESOLVED to approve the claims for the period September 1, 2021 through October 31, 2021, totaling \$11,861.70.

Financial Statements and Cash Position: Ms. McCaffrey reviewed with the Board the unaudited Financial Statements for the period ending September 30, 2021, and the Cash Position Statement for the period ending November 3, 2021. Following review and discussion, upon motion duly made by Director McCarty, seconded by Director Voss and, upon vote, unanimously carried, it was

RESOLVED to accept the unaudited Financial Statements for the period ending September 30, 2021 and the Cash Position Statement for the period ending November 3, 2021, as presented.

2021 Amended Budget Hearing: Upon motion by Director K. Pickett, seconded by Director McCarty and, upon vote, unanimously carried, the Board opened the Amended 2021 Budget Hearing to the public. Ms. Tinney reported that notice of the hearing had been published on October 27, 2021 in accordance with state budget law. There being no public input, Director Voss motioned, and Director McCarty seconded the motion to close the public hearing portion of the budget discussion. Following review and discussion, upon motion duly made by Director K. Pickett, and seconded by Director McCarty, it was unanimously

RESOLVED to adopt the Resolution to Amend the 2021 Budget for District No. 4 General and Capital Fund expenditures.

2022 Budget Hearing: Upon motion by Director K. Pickett, seconded by Director Voss and, upon vote, unanimously carried, the Board opened the 2022 Budget Hearing to the public. Ms. Tinney reported that notice of the public hearing was published in accordance with state budget law. Upon motion by

RECORD OF PROCEEDINGS

Director McCarty and seconded by Director Voss, the budget hearing was closed for public comment. There being no public input, the public hearing portion of the budget discussion was closed. The Board reviewed the 2022 budgets, which detailed estimated revenues and expenditures for each District for the 2022 tax year.

District No. 1:
General Fund Expenditures \$304,310
Capital Fund Expenditures \$0
Debt Service Fund Expenditures \$150,000
Mill levy is 0 mills.

District No. 2:
General Fund Expenditures \$195,907
Mill levy is 50 mills.

District No. 3:
General Fund Expenditures \$10,527
Mill levy is 50 mills.

District No. 4:
General Fund Expenditures \$16,685
Capital Fund Expenditures \$28,750,000
Debt Service Fund Expenditures \$197,240
Mill levy is 50 mills.

Following review and discussion, upon motion duly made by Director K. Pickett, seconded by Director McCarty and, upon vote, unanimously carried, it was

RESOLVED to adopt the Resolution to Adopt the 2022 Budgets, set the Mill Levies, appropriate sums of money and approve execution of the Certification of Mill Levies. The Board further authorized Pinnacle Consulting Group, Inc. to make non-material adjustments to the documents if necessary.

2021 Auditor Engagement: Ms. McCaffrey presented the Engagement Letter with The Adams Group, LLC for performance of the 2021 District No. 1 audit. Following discussion, upon motion duly made by Director McCarty, seconded by Director Voss and, upon vote, it was unanimously

RESOLVED to approve the Engagement Letter with The Adams Group, LLC for performance of the 2021 financial audit for District No. 1.

LEGAL ITEMS

Annual Administrative Matters Resolution: The Board reviewed the 2022 Annual Administrative Matters Resolution. Following discussion, upon motion duly made by Director Voss, seconded by Director McCarty and, upon unanimous vote, it was

RECORD OF PROCEEDINGS

RESOLVED to adopt the 2022 Annual Administrative Matters Resolution.

2022 Election Resolution: The Board reviewed the 2022 Election Resolution. Following discussion, upon motion duly made by Director Voss, seconded by Director McCarty and, upon unanimous vote, it was

RESOLVED to adopt the 2022 Election Resolution.

Engagement of Hilltop Securities as Financial Advisor for Proposed Bond Issuance: This item was tabled to the December Special Meeting.

DEVELOPMENT UPDATE

Director K. Pickett provided a development update noting that mylars and final plat will be filed with the Town of Severance today and presentation to Town Council is scheduled for December 7, 2021. A draft agreement remains pending with North Weld County Water District until at least December 13, 2021 while the water district is under a moratorium on the issuance of tap permits.

Status of CCR's: Ms. Tinney will provide a redline draft of the CCR's to Director K. Pickett and Mr. Holler for review.

OTHER BUSINESS

Implementation of District Fees: Ms. McCaffrey reviewed with the Board a preliminary analysis of Operations and Maintenance Fees, Design Review and Architectural Application Fees, and Title Transfer Fees.

Discussion of Water and Sewer Enterprise: The Boards discussed the possibility of establishing a Water and Sewer Enterprise noting that they plan to incorporate a non-potable water irrigation system which the District will own and maintain.

ADJOURNMENT

There being no further business to come before the Board at this time upon motion duly made by Director K. Pickett, seconded by Director McCarty, and upon vote, unanimously carried the meeting was adjourned at 11:20 A.M.

Respectfully submitted,

DocuSigned by:

Elaina Cobb


Elaina M. Cobb, Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL MINUTES OF THE NOVEMBER 17, 2021 REGULAR MEETING OF THE SEVERANCE SOUTH METROPOLITAN DISTRICTS NOS 1-4 BOARDS OF DIRECTORS, BY THE DIRECTORS SIGNING BELOW:

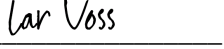
RECORD OF PROCEEDINGS

DocuSigned by:



~~Kris Pickett~~ P0062097D9464BB...

DocuSigned by:


~~Eric McLarty~~ P00462624523B44A...

DocuSigned by:


~~Lar Voss~~ P0269EE5CD0EC4FC...

DocuSigned by:


~~Jana Pickett~~ P025623933C84AA...