

RECORD OF PROCEEDINGS

MINUTES OF THE COMBINED REGULAR MEETING OF THE BOARDS OF DIRECTORS OF THE MERIDIAN RANCH METROPOLITAN DISTRICT MERIDIAN SERVICE METROPOLITAN DISTRICT MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT

Held: Wednesday, December 5, 2018, 10:00 a.m., at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831

Attendance The combined regular meeting of the Boards of Directors of the Meridian Ranch Metropolitan District and the Meridian Service Metropolitan District and Meridian Ranch Metropolitan District 2018 Subdistrict was called and held, as shown, in accordance with Colorado law. The following Directors were in attendance:

Butch Gabrielski, President
Bill Gessner, Asst. Secretary/Treasurer
Mike Fenton, Asst. Secretary/Treasurer
Wayne Reorda, Secretary/Treasurer
Tom Sauer, Asst. Secretary/Treasurer

Also present were:

David Pelsler; Meridian Service Metro District
Jennette Coe; Meridian Service Metro District
Fred Jackson; Meridian Service Metro District
Ryan Kozlowski; Meridian Service Metro District
Braden McCrory; Meridian Service Metro District
Kevin Fackerell; Meridian Service Metro District
Deawne Maddox; Meridian Service Metro District
Angela Maxey; TechBuilders
Sue Blair; Community Resource Services
Marcos Pacheco; Community Resource Services
Ron Fano; Spencer Fane
Samantha Riley and Kelsi Wolf; YMCA
Tom Kerby; Tech Contractors
Raul Guzman; Tech Builders
Jenny Tchang; GTL
Ted Tchang; GTL
Nancy Loew; Homeowner

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

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- Disclosure Matter** Mr. Fano noted that written disclosures of the interests of all of the Directors have been filed with the Secretary of State.
- Approve Agenda** The Board reviewed the Agenda. Director Reorda moved to approve the agenda as amended with the change that the staff budget report will be presented prior to the Public Hearing of the budget. Upon second by Director Sauer, a vote was taken and the motion carried unanimously.
- Comments from Visitors** Nancy Loew told the Board about the unmet needs of the community and items that have been promised but not delivered. She would like the mulch, either wood or rock to be finished, some of the fences need to be painted and the trees that have been removed need to be replaced and the drainage needs to be improved and completed in 2019. With the transition of the recreation center, the residents need to know what is going on. She also commented that she feels they should not be paying for the fees of the classes as a user and the punch card needs to be 20 spots instead of 10.
- Approve Minutes** The Board reviewed the November 7, 2018 Board Minutes. Mr. Pelsler has one correction; correct the spelling of Nancy Lowe to Loew. Director Gessner moved to approve the minutes with the correction. Upon second by Director Reorda, a vote was taken and the motion carried unanimously.
- Update on Meridian Ranch Recreation and Facility Usage Report** Kelsi Wolf gave a verbal report to the Board on the activities for the month at the Recreation Center and thanked the Board for the years of partnership.
- Water, Sewer Grounds and Drainage and Recreation Operations Report**
Recreation Operation's Report: Ryan Kozlowski reported that he has been working on the transition plan and on the interviews with the management team. The software is working well and the training will begin in the next couple of weeks. The festival of trees had 1100 – 1200 attendees and 400 people attended the tree lighting.

Water, Sewer, Grounds and Drainage Operations Report:
Presented to the Board:
1. Mr. Fackerell reviewed the water system report.
 2. Mr. Jackson reviewed the drainage report.
 3. Mr. McCrory reviewed the sewer and underdrain report.
- Financial/Admin Items** Approval of Payment of Claims: Ms. Blair reviewed the updated claims presented for payment at this meeting represented by check nos. 2060 - 2070 totaling \$20,098.53 for Meridian Ranch and to approve check nos. 11081 - 11140 totaling \$366,730.25 for Meridian Service. Director Gessner moved that the Board approve

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and ratify the payment of the claims as presented. Upon a second by Director Reorda, a vote was taken and the motion carried unanimously.

Cash Position and Financial Statements: Ms. Blair reviewed the cash position dated November 28, 2018 and monthly financials dated November 28, 2018 for Meridian Service Metropolitan District and Meridian Ranch Metropolitan District. Upon a motion by Director Gessner and a second by Director Sauer, the motion unanimously carried to accept the cash position summary and financial statements as presented.

Items from the Manager

- (1) Progress Report on MRRC Operations Transition: Mr. Pelsler stated to the Board that he has completed the interview process of the management team and this will not become public for a couple weeks for the purpose of candidates giving notice. Frontline interviews will be happening over the next month. The software training will begin the 3rd week of December and he has been working with the YMCA to transfer over the phone lines.
- (2) Verbal Report: Mr. Pelsler said they have accepted the Filing 9 Landscaping and the East Ridge Escape Trail. There is a pending acceptance of the booster pump station. He also updated the Board on the capital project and the permit application is with the State for approval. He has received the draft contracts on Well 6. The updated cost is \$2.2 million, not \$1.6 million. He is looking at the 2019 funds to move proper funds towards this project.

Consent Items from the Manager

1. Approve MSMD 18 -11 Annual Administrative Resolution for 2019
2. Approve MRMD 18 -10 Annual Administrative Resolution for 2019

Director Reorda moved that the Board approve items 1 through 2. Upon a second by Director Fenton, a vote was taken and the motion carried unanimously.

Actions Items From Manager

1. Authorize General Manager to Distribute District Savings: Mr. Pelsler updated the Board on this matter. He anticipates saving \$28,000 and moving this money to the retirement accounts. Director Gessner asked if the District has already been contributing money to Social Security and why they would give the employee more money. Mr. Pelsler responded by updating on how the money was calculated. Director Sauer moved that the Board authorize the General Manager to distribute the District's savings. Upon a second by Director Gessner, a vote was taken and the motion carried unanimously.

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2. Managers Report: Mr. Pelsler spoke about the proposed budgets and outlined certain items. He educated the Board and the public on what is going on and he will work with Ms. Blair to make the budgets read properly.

Director Reorda moved to open the Public Hearing regarding MSMD 2018 Budget Amendment at 10:42. Upon a second by Director Gessner, a vote was taken and the motion carried unanimously. With no comments from the public, Director Gessner moved to close the public hearing at 10:43. Director Sauer moved that the Board approve Resolution 18-12. Upon a second by Director Gessner, a vote was taken and the motion carried unanimously.

Director Reorda moved to open the Public Hearing regarding MRMD 2018 budget amendment at 10:43. Upon a second by Director Gessner, a vote was taken and the motion carried unanimously. With no comments from the public, Director Gessner moved to close the public hearing at 10:44. Director Sauer moved that the Board approve the Resolution 18 – 11. Upon a second by Director Gessner, a vote was taken and the motion carried unanimously.

Director Gessner moved to open the Public Hearing regarding MSMD 2019 Budget and Certifying Mill Levies and Fee Schedule at 11:07. Upon a second by Director Sauer, a vote was taken and the motion carried unanimously. Nancy Loew made a comment to the Board about being opposed to paying fees for the classes and to make the punch card 20 spots instead of 10 and to welcome non-residents to pay fees. Director Fenton moved to close the public hearing at 11:09. Upon a second by Director Sauer, a vote was taken and the motion carried unanimously. The Board had a discussion surrounding the increases. Director Gessner noted that even with the surpluses in the water and sewer fund, it doesn't seem responsible to increase the fees. Raul outlined to the Board the reasons to increase the fees. Mr. Pelsler added that their alternate is to restore the 80K of the cuts to the Park and Recreation Fund. Director Gessner moved that the Board approve the Resolution 18-13, the mill levies and the 2019 Fee Schedule. Upon a second by Director Sauer, a vote was taken and the motion carried unanimously.

Director Gabrielski moved to open the Public Hearing regarding the Proposed 2019 MRMD Budget at 11:17. Upon a second by Director Gessner, a vote was taken and the motion carried unanimously. With no comments from the public, Director Reorda moved to close the public hearing at 11:18. Upon a second by Director Sauer, a vote was taken and the motion carried unanimously. Director Reorda moved that the Board approve Resolution 18-12. Upon a second by Director Sauer, a vote was taken and the motion carried unanimously.

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**Items from the
Construction
Manager**

Raul Guzman updated the Board on Londonderry Drive. He had a meeting with Jennifer (County Engineer) to figure out when the crossings will be put in at the intersection of Rainbow Bridge and it won't happen until June 2019. The county will help out with the left turn at Londonderry. There have been 70 lots paved at Winding Walk and they will continue the utilities through the winter. 105 lots should be completed by the spring. The starting design of the grading for the Rolling Hills Ranch High School will not be completed until next year unless the builder wants the lots. Director Gabrielski noted that the next tank should be constructed before this work takes place. The tank most likely needs to be in place by 2020.

**Board Member
Items**

There were none.

Legal Items

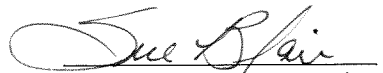
Director Reorda made a motion to enter into Executive Session pursuant to C.R.S. 24-6-402(4)(b) regarding personnel issues related to performance reviews, compensation, and other terms of employment for MSMD employees recommended by General Manager. Upon a second by Director Sauer, a vote was taken and the motion carried unanimously. With no public present, a motion was made by Director Reorda to come out of Executive Session. Upon a second by Director Gessner, a vote was taken and the motion carried unanimously. Director Gessner moved that the Board authorize the GM to make 2019 salary and bonus decisions. Upon a second by Director Reorda, a vote was taken and the motion carried unanimously.

Director Reorda made a motion to enter into Executive Session pursuant to C.R.S. 24-6-402(4)(f) regarding personnel issues related to performance review, compensation and other terms of employment for MSMD General Manager. Upon a second by director Sauer, a vote was taken and the motion carried unanimously. With no public present, Director Reorda made a motion to come out of Executive Session. Upon a second by Director Sauer, a vote was taken and the motion carried unanimously. Director Gessner moved that the Board approve the adjusted salary and pay a 2018 year-end bonus to the GM. Upon a second by Director Reorda, a vote was taken and the motion carried unanimously.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 12:45p.m.

Respectfully submitted,


Secretary for the Meeting