

# RECORD OF PROCEEDINGS

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## MINUTES OF THE SPECIAL MEETING OF WATERFALL METROPOLITAN DISTRICT NO. 1

HELD  
October 26, 2015

The Boards of Directors of Waterfall Metropolitan District No. 1 held a special meeting, open to the public, at 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 2:00 p.m., Monday, October 26, 2015. Notice of the meeting has been duly posted with the Larimer County Clerk and Recorder and posted in three public places within the boundaries of the District.

### ATTENDANCE

#### Directors in Attendance:

Kim Perry, President  
Mike Bergerson, Vice President & Asst. Secretary  
Cole Evans, Asst. Vice President & Asst. Secretary  
Jim Niemczyk, Secretary

#### Directors Absent and Excused:

Tammi Lau, Treasurer & Asst. Secretary

#### Also in Attendance Were:

Alan Pogue; Icenogle Seaver Pogue, P.C.  
Brendan Campbell, Lauren Paul and Carla Hawkins; Pinnacle Consulting Group, Inc.

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### CALL TO ORDER

The meeting was called to order at 2:02 p.m. by Director Perry as President, noting that a quorum was present. The Directors confirmed their qualifications to serve on the Board.

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### MEETING NOTICE

Ms. Hawkins reported that notice of the meeting had been properly posted within the District's boundaries, and that notice was sent to the Larimer County Clerk and Recorder for posting. The notice also included agenda items.

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### CONFLICT OF INTEREST DISCLOSURE

Mr. Pogue, legal counsel, noted that notices of potential conflicts of interest for all Board Members were filed with the Colorado Secretary of State's Office, disclosing potential conflicts. Mr. Pogue advised the Board that pursuant to Colorado law, certain disclosures by the Board Members might be required prior to taking official action at a meeting. The Board reviewed the agenda for

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the meeting, following which each Board Member present confirmed the contents of the written disclosures previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Additionally, the Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

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### APPROVAL OF AGENDA

The Board reviewed the agenda. Upon motion duly made by Director Bergerson, seconded by Director Evans, and upon vote, unanimously carried, it was

**RESOLVED** to approve the agenda, as presented.

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### APPROVAL OF MINUTES

The Minutes of the April 24, 2015 and May 20, 2015 Meetings were presented and reviewed. Upon motion duly made by Director Bergerson, seconded by Director Evans, and upon vote, unanimously carried, it was

**RESOLVED** to approve the Minutes of the April 24, 2015 and May 20, 2015 meetings, as presented.

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### PUBLIC COMMENT

The Board opened the meeting to public comments. Upon receiving no comments, this portion of the meeting was closed.

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### RATIFICATION OF PAYABLES

Mr. Campbell presented for ratification the April 21, 2015 through October 21, 2015, Schedule of Payables totaling \$44,635.82, including check numbers 1413 through 1445. Upon motion duly made by Director Niemczyk, seconded by Director Evans, and upon vote, unanimously carried, it was

**RESOLVED** to ratify the Schedule of Payable in the amount and check numbers noted above.

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### FINANCIAL REPORT

Mr. Campbell presented the Financial Report including the statement of revenues and expenditures through August 31, 2015.

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### 2015 BUDGET AMENDMENT

Director Perry opened the 2015 budget amendment hearing for the debt service fund. Ms. Hawkins reported that notice of the budget hearing had been

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published on October 19, 2015, in accordance with state budget law. There being no public input, the public hearing portion of the budget hearing was closed. Following discussion, and upon motion duly made by Director Evans, seconded by Director Niemczyk, and upon vote, unanimously carried, it was

**RESOLVED** to amend the 2015 debt service fund budget as presented.

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### 2016 BUDGET HEARING & ADOPTION OF RESOLUTIONS

Director Perry opened the 2016 budget hearing to the public. Ms. Hawkins reported that notice of the hearing had been published on October 19, 2015, in accordance with state budget law. There being no public input, the public hearing portion of the budget was closed. Mr. Campbell reviewed the budget and answered questions pertaining to the mill levy, estimated revenues and expenditures, and grounds maintenance fees to fund the District. The Board considered the following:

General Fund Expenditures: \$55,364  
Funded by Grounds Maintenance Fees.  
Capital Fund Expenditures: \$0  
Debt Mill levy is 45.000 mills  
Debt Service Fund Expenditures: \$132,727

After further review and discussion, and upon motion duly made by Director Bergerson, seconded by Director Evans, and upon vote, unanimously carried, it was

**RESOLVED** to approve the Resolution to Adopt the 2016 Budget and Appropriate budgeted funds with final certification of values received from Larimer County, and approve all other documents related to the 2016 Budget, including certifying a mill levy of 45. The District Manager is authorized to make minor modifications that may be necessary with receipt of final assessed values.

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### MANAGERS' REPORT

Engagement Letter from D.A. Davidson: Mr. Pogue noted the District had received an Engagement Letter from D.A. Davidson for services to restructure the District's debt. The Board determined, due to potential costs necessary to amend the Districts Service Plan, and the limited possibility of future capital infrastructure being accepted by the District, it was not necessary to engage D.A. Davidson, at this time.

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2015 Addendum for Landscape and Snow Removal: Ms. Hawkins asked for the Board's ratification and approval on the landscape service addendums between the District and Integrity Lawn Professionals for common area landscaping and snow removal services for 2015 and 2016. Upon motion duly made by Director Niemczyk, seconded by Director Evans, and upon vote, unanimously carried, it was

**RESOLVED** to ratify the 2015 addendums and approve the 2016 landscape and snow renewal service agreement between the District and Integrity Lawn Professionals.

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### LEGAL ITEMS

Annual Administration Resolution: Mr. Pogue presented the 2016 Annual Administrative Matters Resolution; noting that it outlines the operations of the Board, directs District's legal counsel and consultants in their administration of the District and directs them to make all necessary compliance filings. Upon motion duly made by Director Bergerson, seconded by Director Evans, and upon vote, unanimously carried, it was

**RESOLVED** to approve the 2016 Annual Administrative Resolution; reaffirm the current slate of officers; appoint Icenogle Seaver Pogue, P.C. legal counsel, and appoint Pinnacle Consulting Group Inc., district manager, accountant and administrator.

Boyd Lake Village Conditions, Covenants and Restrictions: The Board directed Mr. Pogue to amend the Covenants reflecting new maintenance obligations.

2016 Election Resolution: Mr. Pogue presented for the Board's consideration and approval the 2016 Election Resolution. After further discussion and upon motion duly made by Director Niemczyk, seconded by Director Evans, and upon vote, unanimously carried, it was

**RESOLVED** to approve the 2016 Election Resolution, as presented.

Status of 2015 Reimbursement Agreement and Note: Mr. Pogue noted the Board had approved the 2015 Advance and Reimbursement Agreement between the District and MBL 34, LLC for Capital Advances, and the Issuance of a Subordinate Promissory Note, in an amount not to exceed \$40,000, at a rate of prime plus two (2) compounded annually. He suggested the Board terminate and cancel the agreement and Note, as there had not been any advance by MBL, 34, LLC in 2015. Upon motion duly made by Director

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Niemczyk, seconded by Director Evans, and upon vote, unanimously carried, it was

**RESOLVED** to cancel the 2015 Advance and Reimbursement Agreement and cancel the Promissory Note between the District and MBL 34, LLC.

ITEMS FROM  
DIRECTORS

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No additional items were brought before the Board.

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ADJOURNMENT

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There being no further business to come before the Board at this time, the meeting was adjourned at 2:49 p.m.

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Respectfully submitted,



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Carla Hawkins  
Recording Secretary for the Meeting