

# RECORD OF PROCEEDINGS

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

HELD  
October 30, 2017

A Special Meeting of the Board of Directors of Waterfall Metropolitan District No. 1 was held at 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 3:00 p.m., Monday, October 30, 2017.

### ATTENDANCE

#### Directors in Attendance:

Kim Perry, President & Chairman  
Jim Niemczyk, Secretary/Assistant Treasurer  
David Crowder, Asst. Vice President/Assistant Secretary  
Tammi Lau, Treasurer/Assistant Secretary

#### Also in Attendance Were:

Alan Pogue; Icenogle Seaver Pogue, P.C. (via telephone)  
Brendan Campbell, Lauren Paul, Tom Flock, Brian Doble and  
Darcy Chilton; Pinnacle Consulting Group, Inc.

### CALL TO ORDER

The meeting was called to order at 3:03 p.m. by Director Perry as President, noting that a quorum was present. The Directors confirmed their qualifications to serve on the Board.

### MEETING NOTICE

Mr. Pogue 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.

### 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 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

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

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

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### APPROVAL OF MINUTES

The Minutes of the December 5, 2016 Meeting were presented and reviewed. Upon motion duly made by Director Niemczyk, seconded by Director Crowder, and upon vote, unanimously carried, it was

**RESOLVED** to approve the Minutes of the December 5, 2016 meeting, as presented.

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### BOARD MEMBER APPOINTMENT

Mr. Pogue reported that a call for interested candidates to fill the Board vacancy was published on \_\_\_\_\_. The District did not receive any additional letters of interest to serve on the Boards. Courtney Parmelee has agreed to serve and is qualified to serve on the Boards. Upon motion duly made by Director Crowder, seconded by Director Niemczyk, and upon vote, unanimously carried, it was

**RESOLVED** to approve the appointment of Courtney Parmelee to serve on the Board for the office of Vice President and Assistant Secretary and to a term expiring May of 2018.

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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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### FINANCIAL ITEMS

Ratification of Payables: Ms. Paul presented for ratification the November 23, 2016 through October 23, 2017, Schedule of Payables totaling \$88,408.16. Upon motion duly made by Director Crowder, seconded by Director Niemczyk, and upon vote, unanimously carried, it was

**RESOLVED** to ratify the Schedule of Payable in the

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amount noted above.

Cash-in-lieu Payment for 15<sup>th</sup> Street Completion: The Board discussed the cash-in-lieu Payment to the City of Loveland for the completion of 15<sup>th</sup> Street. Director Crowder inquired about proof that the payment had been accepted by the City of Loveland. Attorney Pogue reported that it is noted in the Development Conditions Letter. Upon motion duly made by Director Crowder, seconded by Director Niemczyk, and upon vote, unanimously carried, it was

**RESOLVED** to ratify the Cash-in-Lieu Payment to the City of Loveland for the completion of 15<sup>th</sup> Street.

Financial Report: Ms. Paul presented the Financial Report including the statement of revenues and expenditures through September 30, 2017, noting that the maximum number of mills are currently being assessed.

2018 Budget Hearing: Director Perry opened the 2017 budget hearing to the public. Mr. Flock reported that notice of the hearing had been published on November 23, 2017, in accordance with state budget law. There being no public input, the public hearing portion of the budget was closed. Ms. Paul 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: \$134,494  
General Fund Mill levy is 15.584 mills  
Capital Fund Expenditures: \$0  
Debt Mill levy is 29.416 mills  
Debt Service Fund Expenditures: \$150,446

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

**RESOLVED** to approve the Resolution to Adopt the 2018 Budget and Appropriate budgeted funds with final certification of values received from Larimer County, and approve all other documents related to the 2018 Budget, including certifying a mill levy of 45.000. The District Manager is authorized to make minor modifications that may be necessary with receipt of final assessed values.

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UPDATE ON 2018 FINANCING Mr. Campbell and Mr. Pogue reported on the status of the bonding process and timing noting that when OCR obtains a building permit, the District can initiate another bonding process.

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2016 AUDIT Ratification of 2016 Audit: Mr. Campbell reported that the 2016 Audit was filed with the State in July and has received no comments. Upon motion duly made by Director Crowder, seconded by Director Niemczyk and upon vote, unanimously carried, it was

**RESOLVED** to ratify the 2016 Audit.

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2017 AUDIT Approval of 2017 Auditor: Mr. Campbell recommended that the Board engages John Cutler & Associates for the 2017 Audit. Upon motion duly made by Director Niemczyk, seconded by Director Crowder, and upon vote, unanimously carried, it was

**RESOLVED** to engage John Cutler for the 2017 Audit of District No. 1, in an amount not to exceed \$5,000.

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MANAGERS' REPORT Consider designation of Board President to approve 2018 Task Orders, Work Orders, and Change Orders within approved budgets for ratification at a future board meeting: The Board considered the designation of Board President to approve the 2018 Task Orders, Work Orders, and Change Orders, within approved budgets. Upon motion duly made by Director Crowder, seconded by Director Niemczyk, and upon vote, unanimously carried, it was

**RESOLVED** to designate Director Perry to approve the 2018 Task Orders, Work Orders, and Change Orders, within approved budgets, for ratification at a future board meeting.

Directors Fees: Mr. Flock discussed Directors' fees with the Board noting that Statute permits Directors fees in the amount of \$100 per District, per meeting, in an amount not to exceed \$1,600 annually and beginning January 1, 2018, \$2,400 annually. Upon motion duly made by Director Crowder, and seconded by Director Niemczyk, it was unanimously

**RESOLVED** to approve the payment of Directors Fees in

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the amount of \$100 per coordinated meeting for each director, not to exceed annual statutory limits.

2017 Master Service Agreement with SWPPP Colorado: The Board considered the Master Service Agreement with SWPPP Colorado for 2017. Upon motion duly made by Director Niemczyk, seconded by Director Crowder, and upon vote, unanimously carried, it was

**RESOLVED** to approve the 2017 Master Service Agreement with SWPPP Colorado.

2017 Master Service Agreement with Affordable Pest Control: The Board considered the Master Service Agreement with Affordable Pest Control for 2017. Upon motion duly made by Director Niemczyk, seconded by Director Crowder, and upon vote, unanimously carried, it was

**RESOLVED** to approve the 2017 Master Service Agreement with Affordable Pest Control.

Work Order No. 1 with Integrity Lawn Professionals: The Board considered Work Order No. 1 with Integrity Lawn Professionals. Upon motion duly made by Director Niemczyk, seconded by Director Crowder, and upon vote, unanimously carried, it was

**RESOLVED** to approve Work Order No. 1 with Integrity Lawn Professionals.

Work Order No. 2 with Integrity Lawn Professionals: The Board considered Work Order No. 2 with Integrity Lawn Professionals. Upon motion duly made by Director Niemczyk, seconded by Director Crowder, and upon vote, unanimously carried, it was

**RESOLVED** to approve Work Order No. 2 with Integrity Lawn Professionals.

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### LEGAL ITEMS

Consideration and Approval of 2018 Administrative Matters Resolution: Mr. Pogue presented the 2018 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

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motion duly made by Director Niemczyk, seconded by Director Crowder, and upon vote, unanimously carried, it was

**RESOLVED** to approve the 2018 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.

2018 Election Resolution: Mr. Pogue presented for the Board's consideration and approval the 2018 Election Resolution. After further discussion and upon motion duly made by Director Niemczyk, seconded by Director Crowder, and upon vote, unanimously carried, it was

**RESOLVED** to approve the 2018 Election Resolution, as presented.

District Investment Policy: Mr. Pogue presented the District Investment Policy to the Boards for the investment of District funds in compliance with State statute. Following brief discussion, upon motion duly made by Director Crowder, seconded by Director Niemczyk and, upon vote, unanimously carried, it was

**RESOLVED** to approve the Resolution Establishing a District Investment Policy.

Ratification of Covenant Amendment: Mr. Pogue presented the Board with the Amended and Restated Declaration of Covenants, Conditions, and Restrictions, which, among other things, allow individual property owners to maintain their own properties rather than using District maintenance. Mr. Pogue advised that OCR would be performing its own maintenance. Upon motion duly made by Director Niemczyk, Seconded by Director Crowder, and upon vote, unanimously carried, it was

**RESOLVED** to ratify the Covenant Amendment.

2017 Legislative Update: Mr. Pogue reviewed the 2017 Legislative Summary with the Boards.

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### ADJOURNMENT

There being no further business to come before the Board at this time, the meeting was adjourned at 3:37 p.m.

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Respectfully submitted,



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Tom Flock  
Recording Secretary for the Meeting