

FOSSIL RIDGE METROPOLITAN DISTRICTS NOS. 1-3

Agenda is preliminary and subject to change by majority vote of the Boards at the meeting. Any individuals with questions regarding this Notice of Regular Meeting and Agenda, or who require special accommodation to attend and/or participate in the meeting, should please contact the Secretary of the Board of Directors of District 1 at frdistrict2@gmail.com

NOTICE OF A REGULAR MEETING AND SUMMARY OF AGENDA ITEMS

Board of Directors – D1:

David Wilson - President
Dave McGraw - V.P.
Terry Larson - Treasurer
Tom Waterman - Secretary
Mike Walker - Asst. Secretary

Board of Directors – D2:

Gerry Reese - President
Tom Waterman - V.P.
Alan Plumhoff- Treasurer
Mike Walker - Secretary
Terry Larson - Asst. Sec.

Board of Directors – D3:

Mike McCleary - President
Alana Bissonnette - V.P.
Pepper Trahan - Treasurer
Laura Paviglianiti - Secretary
David Wilson - Asst. Sec.

Consultants:

Mat Birkeness, CRS	District Manager
Phil Schneider, CRS	Community Manager
Jarod Roberts,	Consolidated Water V.P.

DATE: Monday, August 25, 2025

TIME: 6:30 P.M.

PLACE: 15250 W Evans Ave. Lakewood CO 80228 and Virtual Meeting

First time using web-based meetings? Review this link well before the meeting (prep time: 20-minutes) Video and audio access via computer, tablet, or mobile device, click link: <https://us06web.zoom.us/j/81693772316> Audio access via telephone: Dial - +1 720 707 2699 | enter meeting ID –816 9377 2316 follow prompts If you access via telephone only, you will be asked to provide your name by the moderator Standard rates and fees may apply, as charged by your carrier, based on your service.

I. ADMINISTRATIVE MATTERS

- a. Call to Order/Roll Call/Declaration of Quorum (Districts 1-3)

- b. Present Disclosures of Potential Conflicts of Interest (Districts 1-3)

- c. Confirm Posting of Meeting Notices (Districts 1-3)

II. CONSENT AGENDA

These items are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless requested by a Board member; in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.

- Approval/Ratification of the payment of claims for the period ending August 11, 2025 (enclosure) –

Pg. 4

-Approval of the minutes of the July 21, 2025 Regular Meeting (enclosure) – Pg.5-11

-Retreat Credit Card Purchases Ratification – Pg. 12

-De Minimis Spending Policy Resolution Consideration of Approval – Pg.13

- Transfer \$56,500 from General Fund to the Capital Fund to cover the purchase and installation of the jelly lights at the Retreat and Fitness building (\$16,500) and to cover the new website development (\$40,000). These amounts were approved at the July 21, 2025 meeting but it was not discussed how to categorize the expenses.

III. Pond B2 Agreement Consideration with Consolidated Water – Directors Larson and McGraw
(enclosure) – Pg. 14

IV. Districts consolidation update: Director Wilson (enclosure) Pg. 15-17

V. PUBLIC COMMENT (Districts 1-3) – Each person will be limited to 3 minutes.

VI. FINANCIAL MATTERS

- a. FRMD Nos.1-3 Q2 Variance Reporting Update: Director Reese (enclosure) Pg. 18-29
- b. Improvement Project Fund Update: Director Reese (verbal)
- c. 2026 Budget Workshop: Director Plumhoff (verbal)

VII. OPERATIONS AND MAINTENANCE MATTERS (District 1)

- a. Pesticide Usage Committee – April Tompkins (enclosure) Pg. 30-35
- b. Landscape Update – (verbal) CRS
 - Committee chair resignation of Daniel Dominic and consideration of appointment of Leean McGraw as chair person – Director Wilson
- c. Retreat and Community Update – CRS – (enclosure) Pg. 36-37
 - Retreat Committee resignation – Director Waterman (enclosure) Pg. 38
 - Interim Pool and Retreat Oversight – Director Wilson (verbal)
- d. Community Engagement Committee Update-Director Reese - (verbal)
 - Solterra-Connect Update and File depository update- Director Plumhoff (verbal)
- e. Engineer Report – Director Larson (verbal)

- Consideration of Filing 16 Tree installations using Improvement Project Fund (enclosure)Pg. 39-40

VIII. QUESTIONS/FINAL COMMENTS - FOR AGENDA ITEMS ONLY - (Districts 1-3) – Each person will be limited to 3 minutes

IX. ADJOURNMENT:

THE NEXT REGULAR MEETING IS SCHEDULED FOR MONDAY, OCTOBER 13, 2025

DRAFT

System: 8/15/2025 8:00:54 AM
User Date: 8/15/2025

Fossil Ridge Metro No 1
VENDOR CHECK REGISTER REPORT
Payables Management

Page: 1
User ID: jbeans

Ranges:	From:	To:	From:	To:
Check Number	First	Last	Check Date	7/1/2025
Vendor ID	First	Last	Checkbook ID	First
Vendor Name	First	Last		Last

Ratio

Sorted By: Check Number

* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
1	L GLANZER	Lisa Glanzer	7/29/2025	INBANK	PMCHK00000912	\$492.50
2	MERRICK	Merrick	7/29/2025	INBANK	PMCHK00000913	\$7,760.10
3	PROGRESSIVE	Progressive Services	7/29/2025	INBANK	PMCHK00000914	\$925.37
4	SCHULTZ INDUSTR	Schultz Industries Inc.	7/29/2025	INBANK	PMCHK00000915	\$53,378.56
5	TABLE MOUNTAIN	Table Mountain Electric Inc	8/11/2025	INBANK	PMCHK00000918	\$400.00
6	IRELAND	Ireland Stapleton	8/11/2025	INBANK	PMCHK00000919	\$3,187.50
7	PERFECT	Perfect Pools	8/11/2025	INBANK	PMCHK00000920	\$10,000.00
8	SCHULTZ INDUSTR	Schultz Industries Inc.	8/11/2025	INBANK	PMCHK00000921	\$3,170.32
9	CCM	Colorado Community Media	8/11/2025	INBANK	PMCHK00000922	\$32.60
EFT000000000001	GEN AIR	General Air Service & Supply	7/29/2025	INBANK	PMCHK00000911	\$105.36
EFT000000000002	GREEN MTN	Green Mountain Water and San	7/29/2025	INBANK	PMCHK00000916	\$131,461.35
EFT000000000003	CONSOLIDATED	Consolidated Mutual Water	8/11/2025	INBANK	PMCHK00000917	\$695.70
EFT000000000004	ANIMAL &	Animal & Pest Control Speciali	8/11/2025	INBANK	PMCHK00000923	\$135.00
EFT000000000005	CRS	CRS of Colorado	8/11/2025	INBANK	PMCHK00000924	\$27,876.04
EFT0000000000134	ANGEL	Angel Touch Commercial Cleanin	7/29/2025	FIRSTBANK	PMCHK00000907	\$2,430.00
EFT0000000000135	FRONTIER	Frontier Fire Protection, LLC	7/29/2025	FIRSTBANK	PMCHK00000908	\$542.50
EFT0000000000136	COMCAST	Comcast	7/29/2025	FIRSTBANK	PMCHK00000909	\$171.18
EFT0000000000137	WASTE MANAGEMEN	Waste Management	7/29/2025	FIRSTBANK	PMCHK00000910	\$1,150.44

Total Checks: 18

Total Amount of Checks: \$243,914.52

Autopayments: First Bank
7/3 Xcel \$758.92
7/7 Xcel \$695.11
7/21 Comcast \$280.62
7/23 Consolidated Mutual Water \$22,419.80
8/1 Xcel \$2,554.32

RECORD OF PROCEEDINGS

MINUTES OF THE COMBINED REGULAR MEETING OF THE BOARDS OF DIRECTORS OF THE

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1 FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2 FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3

Held: Monday, July 21, 2025, 6:30 p.m.

Attendance

The combined special meeting of the Boards of Directors of the Fossil Ridge Metropolitan District Nos. 1-3 was called and held at 6:30 p.m., as shown, in accordance with Colorado law. The meeting was held in person at the community center, The Retreat 15250 W Evans Ave. Lakewood CO 80228 and virtually via ZOOM. Mr. Birkeness inquired whether any of the Board members had any potential conflicts of interest on matters coming before the board. There were no conflicts disclosed. The following Directors were in attendance:

Board of Directors -D1:

David Wilson – President
Dave McGraw – V.P.
Terry Larson – Treasurer
Tom Waterman – Secretary
Mike Walker – Asst. Secretary

Board of Directors – D2:

Gerry Reese – President
Tom Waterman – V.P.
Alan Plumhoff – Treasurer
Mike Walker – Secretary
Terry Larson – Asst. Secretary

Board of Directors – D3:

Mike McCleary – President
Alana Bissonnette – V.P.
Laura Paviglianiti – Treasurer
Pepper Trahan – Secretary
David Wilson – Asst. Secretary

Consultants:

Mat Birkeness – District Manager – Community Resource Services
Phil Schneider – Community Manager – Community Resource Services
Dino Ross Esq. - Legal Counsel
Emily Powell Esq. - Legal Counsel
Christine McLeod – Haynie and Associates
Hannah Shelter – Haynie and Associates

Others identified in attendance:

RECORD OF PROCEEDINGS

Ed du Bray, Libby Vernon, Peggy Waterman, Nancy Reese, Pete Hendel, Wendy Sharon, Jenn Penn, Tom Donovan, Samantha Timmons, and Jenny Metzler

Call to Order

Quorums of the Boards were present, and the Directors confirmed their qualifications to serve. Mr. Birkeness confirmed that the meeting has been properly noticed. The meeting was called to order at 6:30 p.m.

Administrative Matters

Consideration of District No. 3 Director Positions Modification: Director McCleary noted that Director Paviglianiti has a career with a company that is not comfortable with her serving as Treasurer of the District. Director McCleary motioned to swap Director positions for Director Trahan to become Treasurer and Director Paviglianiti to become Secretary. Upon a second by Director Wilson a vote was taken and passed unanimously.

Consent Agenda

Ratification of the payment of claims for the period ending 7/1/2025, Approval of the minutes of the May 20, 2025 Special Meeting, and Retreat Credit Card Purchases Ratification.

District 1: Director Walker motioned to approve the consent agenda as presented. Upon second by Director Wilson, a vote was taken, and the motion carried unanimously.

District 2: Director Larson motioned to approve the consent agenda as presented. Upon second by Director Reese, a vote was taken, and the motion carried unanimously.

District 3: Director Bissonette motioned to approve the consent agenda as presented. Upon second by Director Trahan, a vote was taken, and the motion carried unanimously.

Legal Update: Director Wilson along with attorneys present Dino Ross and Emily Powell, presented to the boards a resolution for consolidation of the three districts into one district. A consolidation committee was discussed for Directors McGraw, Reese and Wilson to lead the efforts as the process has a lengthy timeline.

District 1: Director Waterman motioned to approve the resolution as presented. Upon second by Director Wilson, a vote was taken, and the motion carried unanimously.

District 2: Director Reese motioned to approve the resolution as presented. Upon second by Director Plumhoff, a vote was taken, and the motion passed. Director Larson opposed.

District 3: Director McCleary motioned to approve the resolution as presented.

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Upon second by Director Trahan, a vote was taken, and the motion carried unanimously.

2024 FRMD Nos. 1-3 Audit Report Highlights- Christine McLeod of Haynie and Company presented the audit highlights to the boards. Director Walker asked about the District 1 and 3 liabilities. Ms. McLeod noted due to the full accrual bases used the liabilities are shown.

District 1: Director Walker motioned to accept the reports as presented. Upon second by Director Wilson, a vote was taken, and the motion carried unanimously.

District 2: Director Plumhoff motioned to accept the reports as presented. Upon second by Director Reese, a vote was taken, and the motion carried unanimously.

District 3: Director McCleary motioned to accept the reports as presented. Upon second by Director Paviglianiti, a vote was taken, and the motion carried unanimously.

Public Comment Samantha Timmons spoke before the boards about the lack of landscaping in the common areas adjacent to her home. She is seeking equitable care in comparison to the other District landscaping areas.

Financial Matters 2024 FRMD Nos.1 & 2 Budget Amendments: Director Plumhoff presented the amendments affecting the two boards.

District 1: Director Wilson motioned to approve the budget amendment. Upon second by Director McGraw, a vote was taken, and the motion carried unanimously.

District 2: Director Larson motioned to approve the budget amendment. Upon second by Director Reese, a vote was taken, and the motion carried unanimously.

Finance Committee Members Update: Director Plumhoff presented, due to the charter written, Director Trahan will join the committee as District 3 Treasurer. Also, he sought the boards consideration for adding Directors Wilson, Reese and McCleary to the charter.

District 1: Director Walker motioned to approve the finance committee addition members of Directors Trahan, Wilson, Reese and McCleary. Upon second by Director Larson, a vote was taken, and the motion carried unanimously.

District 2: Director Reese motioned to approve the finance committee addition members of Directors Trahan, Wilson, Reese and McCleary. Upon second by

RECORD OF PROCEEDINGS

Director Walker, a vote was taken, and the motion carried unanimously.

District 3: Director McCleary motioned to approve the finance committee addition members of Directors Trahan, Wilson, Reese and McCleary. Upon second by Director Bissonette, a vote was taken, and the motion carried unanimously.

Opening of Bank Account with InBank: Mr. Birkeness presented to the boards the opening of a new bank account with InBank to service the Districts.

District 1: Director McGraw motioned to approve the opening of the new bank account. Upon second by Director Walker, a vote was taken, and the motion carried unanimously.

Operations and Maintenance

Consideration of Appointment of Director Walker as Social Committee board liaison: Director Wilson noted a vacancy of the position and polling of the boards for a volunteer.

District 1: Director Waterman motioned to approve the appointment of Director Walker as social committee board liaison. Upon second by Director Larson, a vote was taken, and the motion carried unanimously.

Social Committee Request for Movie Night September 12, 2025: Ms. Penn presented to the boards for the movie night request to replace a previous annual event of Rocktoberfest. Ms. Penn then answered questions by the boards and noted a signup genius and child supervision will be required.

District 1: Director Wilson motioned to approve the request as presented. Upon second by Director Walker, a vote was taken, and the motion carried unanimously.

District 2: Director Plumhoff motioned to approve the request as presented. Upon second by Director Waterman, a vote was taken, and the motion carried unanimously.

District 3: Director Trahan motioned to approve the request as presented. Upon second by Director Paviglianiti, a vote was taken, and the motion carried unanimously.

Landscape Update: Mr. Birkeness updated the boards on the general maintenance work ongoing within the community.

- Consideration of Rock and Edger Proposals: Mr. Birkeness presented the two proposals along with the budget figures for the capital fund dedicated to landscaping. These proposals would be funded by the capital fund at costs of \$31,478.72 for edger replacements and \$21,577.19 for rock work.

District 1: Director McGraw motioned to approve the proposals as presented. Upon

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second by Director Wilson, a vote was taken, and the motion carried unanimously.

Retreat and Community Update: Mr. Birkeness and Mr. Schneider presented various updates or ongoing tasks in the community.

- Consideration of Permanent Lighting at Retreat: Peggy Waterman presented a report with lighting costs for potential savings and two vendor proposals along with scope of work. Extensive discussion surrounded the policy presented of when the lights will be utilized. Motions were brought forth and later rescinded due to opposition by majority of the boards. It was also noted this item is over budget and other budget line items will have to pick up the costs.

District 1: Director Wilson motioned to approve the Table Mountain lights proposal and to follow the previous lighting timeline of 30 days prior and post of the holiday season. Also, a review by the boards can be done later if change is warranted. Upon second by Director Larson, a vote was taken, and the motion carried unanimously.

District 2: Director Larson motioned to approve the Table Mountain lights proposal and to follow the previous lighting timeline of 30 days prior and post of the holiday season. Also, a review by the boards can be done later if change is warranted. Upon second by Director Waterman, a vote was taken, and the motion carried unanimously.

District 3: Director Paviglianiti motioned to approve the Table Mountain lights proposal and to follow the previous lighting timeline of 30 days prior and post of the holiday season. Also, a review by the boards can be done later if change is warranted. Upon second by Director Trahan, a vote was taken, and the motion carried unanimously.

Community Engagement Committee Update: Director Reese presented the current focus of the committee to the boards. Director Plumhoff presented budget requests to create a repository for District files using the platform Dropbox and for Solterra-connect website to be updated with the vendor 10 Pound Gorilla.

The budget request for district file repository with Dropbox was \$10,000 for 2025.

District 1: Director Wilson motioned to approve the budget request of \$10,000 for Dropbox implementation. Upon second by Director Walker, a vote was taken, and the motion carried unanimously.

District 2: Director Reese motioned to approve the budget request of \$10,000 for Dropbox implementation. Upon second by Director Waterman, a vote was taken, and the motion carried unanimously.

District 3: Director Bissonnette motioned to approve the budget request of \$10,000 for

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Dropbox implementation. Upon second by Director McCleary, a vote was taken, and the motion carried unanimously.

The budget request for Solterra-Connect website upgrade was \$40,000 for 2025.

District 1: Director Wilson motioned to approve the budget request of \$40,000 for the website upgrade with 10 Pound Gorilla. Upon second by Director McGraw, a vote was taken, and the motion carried unanimously.

District 2: Director Plumhoff motioned to approve the budget request of \$40,000 for the website upgrade with 10 Pound Gorilla. Upon second by Director Walker, a vote was taken, and the motion carried unanimously.

District 3: Director Trahan motioned to approve the budget request of \$40,000 for the website upgrade with 10 Pound Gorilla. Upon second by Director McCleary, a vote was taken, and the motion carried unanimously.

Engineering Report: Director Larson presented two items for the board for consideration. First, was the ratification of spring clear outs for water quality ponds within the community and to repeat the process for an autumn clear out. Second was the consideration of an under drain repair in filing 16 using the Capital Improvement Project Fund. This funding requires District 3 approvals as District 3 issued the 2025 bonds housing the Capital Improvement Project Fund.

District 1: Director Wilson motioned to ratify the spring clear outs for water quality ponds. Upon second by Director Walker, a vote was taken, and the motion carried unanimously.

District 1: Director Wilson motioned to approve the future autumn clear outs for water quality ponds. Upon second by Director Walker, a vote was taken, and the motion carried unanimously.

District 3: Director McCleary motioned to approve the Capital Improvement Project fund request for Filing 16 under drain repair work with CDI to include engineering inspections at total cost at \$106,127.93. Upon second by Director Trahan, a vote was taken, and the motion carried unanimously.

Public Comment

Peggy Waterman spoke to the boards that she does not believe opinions should be inserted to board meeting packets.

Adjournment

There being no further business to come before the Boards, the meeting was adjourned at 9:22 p.m. as follows:

- District 1: Director Wilson motioned to adjourn. Upon second by Director

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Walker, a vote was taken, and the motion carried unanimously.

- District 2: Director Reese motioned to adjourn. Upon second by Director Walker, a vote was taken, and the motion carried unanimously.
- District 3: Director McCleary motioned to adjourn. Upon second by Director Paviglianiti, a vote was taken, and the motion carried unanimously.

Respectfully submitted,

Secretary of the Meeting

Date	Credit Card	Company	Dollar Amount	Reason for Using the Card
1/6/2025		Amazon	\$ 48.41	Replace signs that were damaged by the wind
1/8/2025		Amazon	\$ 54.03	Measurement wheel for Landscaping Committee
1/30/2025		Hot Water Now	\$ 262.00	Service for tankless hot water heater
2/14/2025		Amazon	\$ 333.50	Office Supplies
3/17/2025		Amazon	\$ 309.21	Office Supplies and Easter Supplies
3/17/2025		Oriental Trading	\$ 1,117.49	Easter Supplies
3/17/2025		King Soopers	\$ 110.18	Office Supplies
3/18/2025		Webstaurant Store	\$ 497.18	Total was \$534.47 but the taxes will be removed c
3/19/2025		OCC Outdoors	\$ 1,256.38	Post for walkway
3/26/2025		Amazon	\$ 48.22	Lockboxes and sign
4/9/2025		Einstin Bagels	\$ 124.33	Coffee for Easter Event
4/9/2025		King Soopers	\$ 211.81	Drinks for the event
4/25/2025		Target	\$ 144.75	Replace the coffee maker in the office
5/1/2025		Amazon	\$ 660.13	Supplies for the retreat and fitness building
5/16/2025		High 5 Plumbing	\$ 1,423.35	Repair broken pipe and leaking valve to be able to
5/16/2025		Ace Hardware	\$ 44.99	Purchase of a new hose as others are cracked
5/20/2025		Amazon	\$ 118.75	Supplies for the retreat
5/30/2025		Hot Water Now	\$ 149.00	Tankless heater diagnostic after water left on in fit
5/30/2025		Einstin Bagels	\$ 189.22	Bagels and Coffee for engagement meeting
6/4/2025		Ace Hardware	\$ 4.13	Replacement pump room key as we needed to giv
6/13/2025		Oriental Trading	\$ 118.47	Items for the 4th of July Parade
6/13/2025		Ace Hardware	\$ 61.99	New hose reel
6/13/2025		King Soopers	\$ 111.72	Donuts for 4th of July
6/13/2025		King Soopers	\$ 132.49	Supplies for the office
6/13/2025		Amazon	\$ 533.36	Supplies for the retreat and fitness building
6/19/2025		Amazon	\$ 638.69	Umbrellas for the pool
7/10/2025		Amazon	\$ 45.67	Supplies for building
7/28/2025 Phil		Amazon	\$ 244.62	Supplies for Office
7/28/2025 Phil		Amazon	\$ 405.60	Supplies for Office
7/28/2025 Phil		Amazon	\$ 494.77	New printers for Office
7/31/2025 Mat		Fridge Repair???	\$ 906.74	Wine Fridge servicing and repair parts and labor
8/7/2025 Phil		Amazon	\$ 75.75	2026 Calendars for Staff
8/8/2025 Phil		Amazon	\$ (494.77)	Returned Printer due to shipping delays
8/8/2025 Phil		Amazon	\$ (28.30)	Return from incorrect supplies order
8/8/2025 Phil		Best Buy	\$ 569.99	Purchased Printer for office
8/8/2025 Phil		Home Depot	\$ 66.62	Supplies for the retreat
8/11/2025 Phil		Amazon	\$ 98.25	Supplies for the retreat and Social Committee iter
8/12/2025 Phil		Amazon	\$ 35.08	Door stops for the building
8/20/2025 Phil		Amazon	\$ 215.27	Mesh network extenders for fitness building to coi
8/20/2025 Phil		Home Depot	\$ 29.94	Tools for the office

POLICIES AND PROCEDURES GOVERNING DE MINIMIS EXPENDITURES MADE BY THE BOARD IN APPRECIATION OF A BOARD MEMBER AND/OR COMMUNITY SERVICE

Resolution Adopted and Enforced by
Fossil Ridge Metropolitan District Nos. 1-3

A “de minimis” policy in the board setting typically refers to a threshold for minor or insignificant expenditures that are exempt from certain reporting or approval processes. This policy helps streamline administrative tasks and avoid unnecessary scrutiny for low-value transactions.

Purpose: De minimis policies are designed to simplify financial processes by exempting certain low-cost items from detailed record-keeping or board approval. This allows for quicker and more efficient handling of routine expenses,

The Boards of Directors of Fossil Ridge Metropolitan District Nos. 1-3 (collectively the "District") have adopted the following Policies and Procedures Governing De Minims spending by the Boards. All references herein to "District" shall refer to Fossil Ridge Metropolitan District Nos. 1- 3 and their respective Boards of Directors. The District desires to adopt this, Policy.

Article 1

Background

Maintaining meaningful and well-considered formal policies and procedures is a critical component of a strong financial management system. They are used to establish internal controls and compliance with regulatory standards. Documenting the fiscal policies also serves as an important tool for clarifying roles and responsibilities and ultimately for ensuring that financial data is an accurate and reliable basis for decision making.

On certain occasions, the FRMD boards may desire to honor certain retiring board members or community members with de minimis gifts in appreciation for their significant contributions.

Article 2

Definitions

1. De minimis expenditures often occur in this context in the form of a plaque, a modest gift card to a restaurant, etc.
2. There is no statutory limit on the amount of taxpayer funds that can be used to purchase gratitude gifts (per legal counsel, Ireland Stapleton). FRMD has established a ceiling of \$100 per award.
3. Each expenditure would be considered independently.
4. Expenditures would be funded out of the D1 General fund, General, Miscellaneous account.
5. An award will need the recommendation and approval from the awardee's individual board and will not need full board approval. This policy is an exception to the FRMD Purchasing Policy adopted in December 2024.
6. If more than one member is recognized from different boards at the same event, the individual award will be of similar value.

(End of Document)

(August 25, 2025)

Pond B2

Fossil Ridge Metropolitan District & The Consolidated Mutual Water Company

- Pond B2 was originally approved as a Detention Pond (Detention ponds generally should drain 90% of the water within 72 hours).
- To support the water feature, the developer changed the Detention Pond to a Retention Pond (Retention ponds hold water). This was done without approval.
- Legal Retention ponds must have either water rights or a Water Court Approved Water Augmentation Plan.
- The B2 pond has neither water rights (if you can obtain them, they are expensive; 3 years ago we were quoted \$600-\$900,000. Water Augmentation plans must be approved by the water courts and could take years to acquire.
- The Consolidated Mutual Water Company was aware of our pond's challenge because they had to shut off a pipeline installed by the developer to supply the pond with potable water if the water level fell below a certain level. Filling a pond with potable water is illegal.
- At that point FRMD shut off the water feature. The water feature was leaking water over the walking bridge, and we were having sump pump issues.
- In May of 2022 The Consolidated Mutual Water Company met with FRMD to discuss a Lawn Irrigation Return Flow Study (LIRF) that they wanted to conduct in our tributary and the B-2 pond. The purpose of the study was to determine what Consolidated's replacement water obligation was to Bear Creek.
- The current proposal which we are recommending provides solutions for both The Consolidated Mutual Water Company and Fossil Ridge Metropolitan Districts 1-3. Consolidated can use the pond, if necessary to meet obligations and in return provide the application to the courts for the Water Augmentation Plan making our pond legal. The cost to the district will be \$448,200 paid out in four installments, no interest. The cost is determined by acreage of evaporation (8.3) x \$54,000.
- We will be co-managing the pond. Attorneys have reviewed the documents that you have before you.
- The FRMD Finance and Improvement Project Fund committees recommend that the funding for this come from the Improvement Project Fund.

Merger Committee Progress Update

Introduction

The Merger Committee held its inaugural Zoom meeting on July 30th, marking the beginning of the formal merger process. The meeting was attended by the following committee members: Gerry Reese, Dave McGraw, David Wilson, Dino Ross (IS), Emily Powell (IS), and Sue Blair (CRS).

Purpose and Goals

The committee began by reviewing its primary purpose and the overarching goals that will guide its efforts throughout the merger. This included clarifying the objectives that the committee aims to achieve as the merger progresses.

Reporting to the Boards

The committee addressed the process for reporting progress to the respective Boards. Members considered the methods and frequency of these updates to ensure that all stakeholders remain informed and engaged throughout the merger.

Frequency of Meetings

The group discussed the regularity of committee meetings, emphasizing the importance of consistent communication and ongoing progress monitoring.

Timeline Review

A timeline provided by IS was reviewed during the meeting. The committee explored strategies for breaking down the timeline into manageable segments to facilitate effective planning and execution.

Key Initial Issues Identified

Initial key issues to be addressed during the merger process were identified. The committee acknowledged that additional issues would be added as the process develops. Among the topics discussed were:

- Determining compelling qualitative reasons for the merger and assigning responsibility for collecting these reasons.
- Identifying compelling quantitative (financial) reasons for the merger and designating responsibility for gathering the necessary data.

- Outlining procedures for notifying and communicating with residents about merger developments.

Upcoming Meetings

The next committee meeting is scheduled for September 4th, 2025.

Finance Committee Approval

Additionally, a presentation of the qualitative calculations was made to the Finance Committee on August 12, 2025. The committee agreed with the reasonableness of the calculation(s).

DRAFT

Board of Directors Briefing – August 25, 2025

Consolidation of Districts - From the Consolidation Committee

At our July 21st board meeting, almost all members of the three boards voted to move forward with the next steps in the consolidation plan; however, some board members conditioned their support on receiving information confirming that consolidating the districts makes financial sense and will provide valuable non-monetary benefits. The Consolidation Committee agreed to develop a high-level analysis of the financial and qualitative reasons for consolidation. While unanimous board member support is not required, the hope is that, with this additional information, all board members will support consolidation of the districts.

Financially, there are numerous accounts where consolidation savings can be justified. We worked with CRS and members of the Finance Committee to create a list of accounts where substantial savings would be gained (For example, most general fund expense accounts in D2 and D3 would no longer be needed; elections for only one district; and general accounting and audit preparation would be streamlined and less costly.) Our rough estimate of annual savings after the consolidation is approximately \$100,000. As the years go by, inflation could substantially increase this amount. We believe, from a financial and business perspective, the cost of the consolidation could be recovered in about two years. The savings in all subsequent years would be a significant benefit to the community.

Qualitatively, there are many non-monetary reasons to consolidate. The following are some of the more obvious:

- Since the Service District (D1) and the Taxing Districts (currently D2 and D3) will be consolidated into one district (D3), it will enable all voters within Solterra to vote for the board members of D3, who will decide on the operations to be performed and the property taxes to be assessed each year. With the current three-District structure, less than 3% of the residents elect the board members who make the operational decisions.
- A more direct path to board member transparency and accountability, as there will only be the D3 board and its members will be responsible for all of D3's operations and administration, instead of different functions being spread among the three districts.
- There will be simpler and less confusing local governance and district structure. Few residents understand the interrelated workings of the three-district structure. Nor should they, when there is no reason to pay for three local governments instead of one.
- The necessary rewriting of the documents governing the districts and enabling them to perform their functions (Service Plan, Intergovernmental Agreements, etc.) will better reflect that the Developer is no longer involved and the community level governance is totally controlled by residents.
- Easier path to board membership recruiting and elections.
- Simpler Board meetings – The D3 board members will vote on all operational, administrative, and financial issues that are currently divided between the D1 board (operations) and the D2 and D3 boards (financial).
- Reduction in administrative burden, annual statutory compliance, and reporting.
- Simplification and improved clarity of audit reports, financial statements, and variance reports.
- Simplified management, operational efficiency, and communications.

Rather than keeping with the status quo and for the reasons above, the Consolidation Committee is planning to work with the districts' law firm, Ireland Stapleton (Dino and Emily), to implement the next steps of the board approved consolidation resolution. As stated in the last BOD meeting, the process can be terminated at the will of the boards should circumstances substantially change. We have requested to receive periodic updates from legal counsel as the timeline progresses.



Fossil Ridge Metro Districts 1-3

06/30/25 Budget Variance Report Summary

OVERALL STATUS

District 1

Positive Ending General Fund Balance: \$2,061,595

- Net increase in General Fund of \$354,151 compared to budgeted amount of \$132,275.
- Increase in General Fund balance due, in part, to positive material variances in the following accounts:
 - Miscellaneous and Interest Income (\$24,277): Interest Rates and Closing CityWide MM and moving funds to ColoTrust for a better interest rate
 - Amenity user fees (\$23,348): More events at the Retreat
 - Legal (\$237,166): Litigation Legal expense under budget
- With the Brookfield settlement agreement, the reimbursement accounts created a negative variance totaling (\$120,173) (See detail below)

Positive Special Revenue Ending Fund Balance: \$194,471

- With the Brookfield settlement agreement, a transfer from the General Fund will be done to zero out the Brookfield expenditures \$120,695
- With the Brookfield settlement agreement, the Brookfield areas reimbursement accounts have a negative balance totaling (\$24,500) (See detail below)

Positive Capital Projects Ending Fund Balance: \$2,130,869. Various projects are in process.

- Received developer fees for twenty-two townhomes – revenue was not budgeted (\$150,150)
- Received storm drainage fees for twenty-two townhomes – revenue was not budgeted (\$16,500)

Districts 2 and 3

- D2 Positive Ending Fund Balance in General Fund of \$95,949 and a Zero Ending Fund Balance in Debt Service Fund.
- D2 general fund balance benefited from the collection of property taxes
- D3 Positive Ending Fund Balance in General Fund of \$292,755, Debt Service Fund of \$4,824,146 and the Capital Improvement Fund of \$2,019,502.
- D3 general fund balance benefited from increased interest income due to interest rates and the collection of property taxes.

MATERIAL NEGATIVE VARIANCES (Negative Variance >10%, and budget item >\$20,000)

District 1, General Fund

- Sewer service operations: (-\$28,003): Timing
- The Brookfield settlement agreement created the following negative variances:
 - Landscaping Brookfield reimbursement (\$100,000)
 - Water Brookfield reimbursement (\$2,500)
 - Snow removal Brookfield (\$17,673)

District 1, Special Revenue Fund

The Brookfield settlement agreement created the following negative variances:

- Private access area no. 2 Brookfield share (\$1,500)
- Private access area no. 3-15 Brookfield share (\$8,000)
- Private access area no. 3-16N Brookfield share (\$7,000)
- Private access area no. 3-16S Brookfield share (\$8,000)

District 1, Capital Fund

- Trees and shrubs, including F13-15 Trib, there is a budget of \$275,000 for the year and have spent \$218,489 through 06/30/25. Budget for the remaining of the year should be adequate.
- The Brookfield settlement agreement created the following negative variances:
 - F13-15, Trib Trees and Shrubs Brookfield reimbursement (\$110,000)

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
BUDGET VARIANCE REPORT - MODIFIED ACCRUAL BASIS
For the Three Months Ended March 31, 2025
Unaudited

Account Names	2025 Adopted Budget	6/30/2025 Pro-Rata Budget	6/30/2025 Actual	Variance Over/(Under)	% Variance to YTD Pro-Rata Budget	F=Favorable U=Unfavorable	Negative Variance > 10% & > \$20,000 budget item	Reason for Variance / Notes	Follow Up Action	Follow Up Date
REVENUES										
Homeowner assessments	\$ 1,769,600	\$ 884,800	\$ 886,200	\$ 1,400	100%	F				
Sewer fees	466,200	233,100	251,364	18,264	108%	F				
Property taxes - delinquent accounts	4,879	2,500	4,052	1,552	162%	F				
Other income	145,000	72,700	121,855	49,155	168%	F				
Transfer from District No. 2	273,997	210,000	210,000	-	100%	F				
Transfer from District No. 3	476,000	270,000	270,000	-	100%	F				
Total revenues	3,135,676	1,673,100	1,743,471	70,371	104%	F				
EXPENDITURES										
General expenses										
Total general expenses	1,013,750	574,777	304,007	(270,770)	53%	F				
Grounds expenses										
Total ground expenses	441,500	245,250	271,404	26,154	111%	U				
Retreat expenses										
Total retreat expenses	351,800	181,500	167,440	(14,060)	92%	F				
Sewer operations										
Total sewer operations	466,200	233,100	261,103	28,003	112%	U				
Utilities										
Total utilities	197,700	53,200	48,773	(4,427)	92%	F				
Total expenditures	2,470,950	1,287,827	1,052,727	(235,100)	82%	F				
EXCESS OF REVENUES OVER EXPENDITURES	664,726	385,273	690,744	305,471	179%	F				
OTHER FINANCING USES										
Transfer to Reserve Study Fund	(431,795)	(215,898)	(215,898)	-	100%	F				
Transfer to Special Revenue Fund	-	-	(120,695)	(120,695)	-	U				
Emergency reserve (3%)	(74,200)	(37,100)	-	37,100	0%	F				
Other Financing Uses	(505,995)	(252,998)	(336,593)	(83,595)	133%	U				
NET CHANGE IN FUND BALANCE	\$ 158,731	\$ 132,275	354,151	\$ 221,876						
BEGINNING FUND BALANCE			1,707,444							
ENDING FUND BALANCE			\$ 2,061,595							

** All Brookfield Residential/Solterra, LLC receivables and reimbursements were fully satisfied and resolved by the January 22, 2025 settlement agreement between the Districts and Brookfield Residential/Solterra, LLC

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
BUDGET VARIANCE REPORT - MODIFIED ACCRUAL BASIS
For the Six Months Ended June 30, 2025
Unaudited

Account Names	2025 Adopted Budget	6/30/2025 Pro-Rata Budget	6/30/2025 Actual	Variance Over/(Under)	% Variance Budget	F=Favorable U=Unfavorable	Negative Variance > 10% & > \$20,000 budget item	Reason for Variance / Notes	Follow Up Action	Follow Up Date
REVENUES										
Homeowner assessments	\$ 1,769,600	\$ 884,800	\$ 886,200	\$ 1,400	100%	F				
Sewer service fees - homeowner	340,200	170,100	187,233	17,133	110%	F				
Sewer operations fees - homeowner	126,000	63,000	64,131	1,131	102%	F				
Sewer fees	466,200	233,100	251,364	18,264	108%	F				
Property taxes - delinquent accounts	4,879	2,500	4,052	1,552	162%	F				
Amenity user fees	60,000	30,000	53,348	23,348	178%	F				
Late fees	5,000	2,700	3,335	635	124%	F				
Miscellaneous income and interest	80,000	40,000	64,277	24,277	161%	F				
Grant	-	-	895	895	-	F				
Transfer from District No. 2	273,997	210,000	210,000	-	100%	F				
Transfer from District No. 3	476,000	270,000	270,000	-	100%	F				
Total revenues	3,135,676	1,673,100	1,743,471	70,371	104%	F				
EXPENDITURES										
General expenses										
Accounting (CRS)	100,000	54,500	35,074	(19,426)	64%	F				
Audit preparation (CRS)	28,000	25,000	11,207	(13,793)	45%	F				
Audit (Haynie)	10,300	10,300	10,300	-	0%	F				
Audit	38,300	35,300	21,507	(13,793)	61%	F				
District management and special services (CRS)	50,000	25,000	15,020	(9,980)	60%	F				
Community management	82,800	41,400	41,400	-	100%	F				
District office administration	13,000	6,500	6,059	(441)	93%	F				
Election	15,000	15,000	25,309	10,309	169%	U				
Legal - general	25,000	17,000	26,005	9,005	153%	U		Costs were more then budgeted Over on general legal but under on litigation legal		
Legal - litigation	600,000	300,000	53,829	(246,171)	18%	F				
Legal	625,000	317,000	79,834	(237,166)	25%	F				
County treasurer fees	150	77	40	(37)	52%	F				
Dues and conference	1,500	1,500	1,237	(263)	82%	F				
Insurance	70,000	70,000	69,736	(264)	100%	F				
Website	8,000	3,500	8,478	4,978	242%	U				
Miscellaneous	10,000	5,000	313	(4,687)	6%	F				
Total general expenses	1,013,750	574,777	304,007	(270,770)	53%	F				
Grounds expenses										
Snow removal	60,000	35,000	29,605	(5,395)	85%	F				
Snow removal - Brookfield	-	-	17,673	17,673	-	U		Brookfield agreement resolved reimbursements		
Pest control	3,000	1,500	810	(690)	54%	F				
Landscape and landscape contract	192,000	110,000	96,042	(13,958)	87%	F				
Landscaping Brookfield	200,000	100,000	59,521	(40,479)	60%	F				
Landscaping Brookfield - reimbursement **	(200,000)	(100,000)	-	100,000	0%	U		Brookfield agreement resolved reimbursements		
Irrigation Repairs	55,000	29,000	28,986	(14)	100%	F				
Tree, shrub and turf maintenance	100,000	48,000	24,208	(23,792)	50%	F				
Flowers	10,000	10,000	9,683	(317)	0%	F				
Backflow testing	2,000	2,000	2,513	513	0%	U				
Lighting and electrical repairs	3,000	1,500	-	(1,500)	0%	F				
Playground maintenance	2,500	1,250	1,000	(250)	80%	F				
Signs	1,500	750	52	(698)	7%	F				
Common area repairs	10,000	5,000	1,311	(3,689)	26%	F				
Fence repairs	2,500	1,250	-	(1,250)	0%	F				
Total ground expenses	441,500	245,250	271,404	26,154	111%	U				
Retreat expenses										
Trash removal	5,000	2,500	3,364	864	135%	U				
Telephone	6,000	3,000	2,872	(128)	96%	F				
Security patrol and monitoring	3,000	1,500	1,047	(453)	70%	F				
Retreat and pool management (\$6,900 per mo)	82,800	41,400	41,400	-	100%	F				
Retreat maintenance	26,000	11,000	4,412	(6,588)	40%	F				
Retreat supplies	4,500	2,250	2,848	598	127%	U				
Retreat - staff - office	25,000	12,000	10,613	(1,387)	88%	F				
Retreat - staff - events	30,000	13,000	11,022	(1,978)	85%	F				
Retreat - fitness instructor	5,000	2,500	2,804	304	112%	U				
Retreat - furniture	3,000	3,000	-	(3,000)	0%	F				
Pool contract	105,000	70,000	70,000	-	0%	F				
Pool maintenance	5,000	2,500	1,423	(1,077)	0%	F				
Pool software	2,000	2,000	995	(1,005)	50%	F				
Pool chemicals and supplies	10,000	2,000	2,500	500	0%	U				
Pool furniture	2,500	1,000	639	(361)	0%	F				
Janitorial	3,000	1,250	3,938	2,688	315%	U				
Janitorial - event cleaning	15,000	6,500	5,235	(1,265)	81%	F				
Seasonal decorations	5,000	-	13	13	-	U				
Social events	14,000	4,100	2,315	(1,785)	56%	F				
Total retreat expenses	351,800	181,500	167,440	(14,060)	92%	F				

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
BUDGET VARIANCE REPORT - MODIFIED ACCRUAL BASIS
For the Six Months Ended June 30, 2025
Unaudited

Account Names	2025 Adopted Budget	6/30/2025 Pro-Rata Budget	6/30/2025 Actual	Variance Over/(Under)	% Variance Budget	F=Favorable U=Unfavorable	Negative Variance > 10% & > \$20,000 budget item	Reason for Variance / Notes	Follow Up Action	Follow Up Date
Sewer operations										
Sewer service fees - homeowner	340,200	170,100	192,973	22,873	113%	U		Timing		
Sewer operations fees - homeowner	126,000	63,000	68,130	5,130	108%	U				
Total sewer operations	466,200	233,100	261,103	28,003	112%	U				
Utilities										
Water	160,000	38,500	36,930	(1,570)	96%	F	Should correct with 3rd qtr budget	New bill rates: 2024 all consumptions was at \$6.10/1000 gallons		
Water - Brookfield	5,000	2,500	1,350	(1,150)	54%	F		2025 \$5.55/1st 1000 /\$6.55 2nd 1000 / \$7.00/1000 after 2000		
Water - Brookfield - reimbursement **	(5,000)	(2,500)	-	2,500	0%	U		Brookfield agreement resolved reimbursements		
Sewer fees - Retreat	6,000	3,000	674	(2,326)	22%	F				
Sewer fees - City of Lakewood	1,700	1,700	1,693	(7)	100%	F				
Gas and electric	30,000	10,000	8,126	(1,874)	81%	F				
Total utilities	197,700	53,200	48,773	(4,427)	92%	F				
Total expenditures	2,470,950	1,287,827	1,052,727	(235,100)	82%	F				
EXCESS OF REVENUES OVER EXPENDITURES	664,726	385,273	690,744	305,471	179%	F				
OTHER FINANCING USES										
Transfer to Capital Fund	(431,795)	(215,898)	(215,898)	-	100%	F				
Transfer to Special Revenue Fund	-	-	(120,695)	(120,695)	-	U				
Emergency reserve (3%)	(74,200)	(37,100)	-	37,100	0%	F				
Other Financing Uses	(505,995)	(252,998)	(336,593)	(83,595)	133%	U				
NET CHANGE IN FUND BALANCE	\$ 158,731	\$ 132,275	354,151	\$ 221,876						
BEGINNING FUND BALANCE			1,707,444							
ENDING FUND BALANCE			\$ 2,061,595							

** All Brookfield Residential/Solterra, LLC receivables and reimbursements were fully satisfied and resolved by the January 22, 2025 settlement agreement between the Districts and Brookfield Residential/Solterra, LLC

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1
SPECIAL REVENUE FUND
BUDGET VARIANCE REPORT - MODIFIED ACCRUAL BASIS
For the Six Months Ended June 30, 2025
Unaudited

	2025 Adopted Budget	6/30/2025 Pro-Rata Budget	6/30/2025 Actual	Variance Over/(Under)	% Variance to Budget	F=Favorable U=Unfavorable	Negative Variance > 10% & > \$20,000 budget item	Reason for Variance / Notes	Follow Up Action	Follow Up Date
REVENUES										
Private access area no. 1 (14)	\$ 15,600	\$ 7,800	\$ 7,800	\$ -	100%	F				
Private access area no. 2 (Brookfield share)	3,000	1,500	-	(1,500)	0%	U		Brookfield agreement resolved reimbursements		
Townhome Area No. 3 - 15 (43)	14,620	7,310	7,310	-	100%	F				
Townhome Area No. 3 - 16N (29)	20,300	10,150	10,150	-	100%	F				
Townhome Area No. 3 - 16S Fee (42)	29,400	14,700	14,700	-	100%	F				
Private access area no. 3 - 15 (Brookfield share)	16,000	8,000	-	(8,000)	0%	U		Brookfield agreement resolved reimbursements		
Private access area no. 3 - 16N (Brookfield share)	14,000	7,000	-	(7,000)	0%	U		Brookfield agreement resolved reimbursements		
Private access area no. 3 - 16S (Brookfield share)	16,000	8,000	-	(8,000)	0%	U		Brookfield agreement resolved reimbursements		
Total revenues	128,920	64,460	39,960	(24,500)	62%	U				
EXPENDITURES										
Private Access Area No. 1 (13)	15,000	8,500	2,168	(6,332)	26%	F				
Private access area no. 2 (Brookfield share) **	3,000	1,700	1,110	(590)	65%	F				
Townhome Area No. 3 - 15 (43)	14,000	8,000	6,833	(1,167)	85%	F				
Townhome Area No. 3 - 16N (29)	18,000	9,000	5,599	(3,401)	62%	F				
Townhome Area No. 3 - 16S Fee (42)	25,000	14,400	8,725	(5,675)	61%	F				
Private access area no. 3 - 15 (Brookfield share) **	16,000	10,000	10,197	197	102%	U				
Private access area no. 3 - 16N (Brookfield share) **	14,000	7,700	4,574	(3,126)	59%	F				
Private access area no. 3 - 16S (Brookfield share) **	16,000	11,000	7,173	(3,827)	65%	F				
Total expenditures	121,000	70,300	46,379	(23,921)	66%	F				
OTHER FINANCING SOURCES (USES)										
Transfer from General Fund	-	-	120,695	120,695	-	F				
Total other financing uses	-	-	120,695	120,695	-	F				
NET CHANGE IN FUND BALANCE	\$ 7,920	\$ (5,840)	\$ 114,276	\$ 120,116						
BEGINNING FUND BALANCE			80,195							
ENDING FUND BALANCE			\$ 194,471							

** All Brookfield Residential/Solterra, LLC receivables and reimbursements were fully satisfied and resolved by the January 22, 2025 settlement agreement between the Districts and Brookfield Residential/Solterra, LLC

	Balance 12/31/2024	Revenue YTD 2025	Transfers YTD 2025	Expenses YTD 2025	Balance 6/31/2025
Private Access Area no. 1	\$ 17,930	\$ 7,800	\$ -	\$ 2,168	\$ 23,562
Private Access Area no. 2	50,308	-	-	-	50,308
Private access area no. 2 (Brookfield share)	(4,285)	-	5,395	1,110	(5,395)
Townhome Area No. 3 - 15 (43)	16,281	7,310	-	6,833	16,758
Townhome Area No. 3 - 16N (29)	33,700	10,150	-	5,599	38,251
Townhome Area No. 3 - 16S Fee (42)	59,617	14,700	-	8,725	65,592
Private access area no. 3 - 15 (Brookfield share)	(58,842)	-	69,039	10,197	(69,039)
Private access area no. 3 - 16N (Brookfield share)	(14,048)	-	18,622	4,574	(18,622)
Private access area no. 3 - 16S (Brookfield share)	(20,466)	-	27,639	7,173	(27,639)
	\$ 80,195	\$ 39,960	\$ 120,695	\$ 46,379	\$ 73,776

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECT FUND
BUDGET VARIANCE REPORT - MODIFIED ACCRUAL BASIS
For the Six Months Ended June 30, 2025
Unaudited

	2024 Adopted Budget	6/30/2025 Pro-Rata Budget	6/30/2025 Actual	Variance Over/(Under)	% Variance to Budget	F=Favorable U=Unfavorable	Negative Variance > 10% & > \$20,000 budget item	Reason for Variance / Notes	Follow Up Action	Follow Up Date
Revenues										
Development fees - townhomes	\$ -	\$ -	\$ 150,150	\$ 150,150	-	F		22 Townhome permits issued in Q1		
Storm drainage fees - townhomes	-	-	16,500	16,500	-	F		22 Townhome permits issued in Q1		
Admin set up fees	-	-	5,742	5,742	-	F		22 Townhome permits issued in Q1		
Interest	40,000	20,000	19,693	(307)	98%	U				
Miscellaneous	-	-	2,605	2,605	-	F				
Total revenues	<u>40,000</u>	<u>20,000</u>	<u>194,690</u>	<u>174,690</u>	<u>973%</u>	<u>F</u>				
Reserve study expenditures										
Pool										
Pool - concrete lifting	20,000	20,000	4,641	(15,359)	23%	F				
Pool pumps & equipment	15,000	15,000	-	(15,000)	0%	F				
Pool capital repairs	120,000	120,000	111,315	(8,685)	93%	F				
	<u>155,000</u>	<u>155,000</u>	<u>115,956</u>	<u>(39,044)</u>	<u>75%</u>	<u>F</u>				
Retreat										
Roof repairs	10,000	10,000	-	(10,000)	0%	F				
HVAC/Water heater replacement	15,000	11,250	11,265	15	100%	U				
Bathroom upgrade	8,500	8,750	7,218	(1,532)	82%	F				
	<u>33,500</u>	<u>30,000</u>	<u>18,483</u>	<u>(11,517)</u>	<u>62%</u>	<u>F</u>				
Common area										
Irrigation controllers/computer	114,000	114,000	111,061	(2,939)	97%	F				
Wall repairs	25,000	25,000	23,478	(1,522)	94%	F				
Stamped concrete solutions	15,000	7,500	-	(7,500)	0%	F				
Signs	20,000	15,000	8,098	(6,902)	54%	F				
Hardscape repairs	25,000	25,000	-	(25,000)	0%	F				
Other common area repairs	25,000	12,500	5,850	(6,650)	47%	F				
Tributary repairs - Brookfield	25,000	12,500	-	(12,500)	0%	F				
Tributary repairs - Brookfield reimbursement	(25,000)	(12,500)	-	(12,500)	0%	U		Brookfield agreement resolved reimbursements		
	<u>224,000</u>	<u>199,000</u>	<u>148,487</u>	<u>(50,513)</u>	<u>75%</u>	<u>F</u>				
Subtotal - Reserve study expenditures	<u>412,500</u>	<u>384,000</u>	<u>282,926</u>	<u>(101,074)</u>	<u>74%</u>	<u>F</u>				
Capital expenditures										
Trees and shrubs	100,000	90,000	218,489	128,489	243%	U				
F13-15, Trib Trees and shrubs - Brookfield	175,000	110,000	-	(110,000)	0%	F				
F13-15, Trib Trees and shrubs - Brookfield reimbursement	(175,000)	(110,000)	-	110,000	0%	U		Brookfield agreement resolved reimbursements		
District engineer	50,000	25,000	15,870	(9,130)	63%	F				
Capital expenditures	25,000	12,500	-	(12,500)	0%	F				
Subtotal - Capital expenditures	<u>175,000</u>	<u>127,500</u>	<u>234,359</u>	<u>106,859</u>	<u>184%</u>	<u>U</u>				
Total expenditures	<u>587,500</u>	<u>511,500</u>	<u>517,285</u>	<u>5,785</u>	<u>101%</u>	<u>U</u>				
EXCESS OF EXPENDITURES (OVER) UNDER REVENUES	<u>(547,500)</u>	<u>(491,500)</u>	<u>(322,595)</u>	<u>168,905</u>	<u>66%</u>	<u>F</u>				
OTHER FINANCING SOURCES										
Transfer From General Fund	431,795	215,896	215,896	-	100%	F				
Total transfers and reserves	<u>431,795</u>	<u>215,896</u>	<u>215,896</u>	<u>-</u>	<u>100%</u>	<u>F</u>				
NET CHANGE IN FUND BALANCE	<u>\$ (115,705)</u>	<u>\$ (275,604)</u>	<u>\$ (106,699)</u>	<u>\$ 168,905</u>						
BEGINNING FUND BALANCE			2,237,568							
ENDING FUND BALANCE			<u>\$ 2,130,869</u>							

** All Brookfield Residential/Solterra, LLC receivables and reimbursements were fully satisfied and resolved

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
BUDGET VARIANCE REPORT - MODIFIED ACCRUAL BASIS
For the Six Months Ended June 30, 2025

Unaudited

							Negative Variance >10% & > \$20,000	Reason for Variance / Notes	Follow Up Action	Follow Up Date
	2025 Annual Budget	6/30/2025 Pro-rata Budget	6/30/2025 Actual	Variance Over (Under)	% Variance to Budget	F=Favorable U=Unfavorable				
REVENUES										
Property taxes	\$ 247,281 ✓	\$ 168,930	\$ 242,744	\$ 73,814	144%	F				
Specific ownership taxes	12,400 ✓	6,200	8,369	2,169	135%	F				
Conservation trust funds	10,000 ✓	5,450	4,297	(1,153)	79%	U				
Interest	17,000 ✓	7,500	6,059	(1,441)	81%	U				
Total revenues	<u>286,681</u>	<u>188,080</u>	<u>261,469</u>	<u>73,389</u>	<u>139%</u>	<u>F</u>				
EXPENDITURES										
Audit	6,650 ✓	3,325	6,650	3,325	0%	U				
Election	15,000 ✓	15,000	25,258	10,258	168%	U				
Insurance	3,200 ✓	3,200	3,454	254	108%	U				
Dues and memberships	1,000 ✓	1,000	541	(459)	54%	F				
Miscellaneous	100 ✓	100	-	(100)	0%	F				
Transfer to District No. 1	273,997 ✓	210,000	210,000	-	100%	F				
Treasurer fees	3,709 ✓	2,409	3,642	1,233	151%	U				
Emergency reserve	9,100	4,550	-	(4,550)	0%	F				
Total expenditures	<u>312,756</u>	<u>239,584</u>	<u>249,545</u>	<u>9,961</u>	<u>104%</u>	<u>U</u>				
NET CHANGE IN FUND BALANCE	<u>\$ (26,075)</u>	<u>\$ (51,504)</u>	11,924	<u>\$ 63,428</u>						
BEGINNING FUND BALANCE			84,025							
ENDING FUND BALANCE			<u>\$ 95,949</u>							

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
BUDGET VARIANCE REPORT - MODIFIED ACCRUAL BASIS
For the Six Months Ended June 30, 2025
Unaudited

	2025 Annual Budget	6/30/2025 Pro-rata Budget	6/30/2025 Actual	Variance Over (Under)	% Variance to Budget	F=Favorable U=Unfavorable	Neg Variance >10% & > \$20,000	Reason for Variance / Notes	Follow Up Action	Follow Up Date
REVENUES										
Property taxes	\$ 909,869 ✓	\$ 633,569	893,175	259,606	141%	F				
Specific ownership taxes	45,500 ✓	26,100	30,702	4,602	118%	F				
Total revenues	<u>955,369</u>	<u>659,669</u>	<u>923,877</u>	<u>264,208</u>	<u>140%</u>	<u>F</u>				
EXPENDITURES										
Treasurer fees	13,648 ✓	10,000	13,401	3,401	134%	U				
Transfer to District No. 3 - debt	941,721 ✓	650,210	910,476	260,266	140%	U		Timing - have received more taxes and needed to transfer to #3		
Total expenditures	<u>955,369</u>	<u>660,210</u>	<u>923,877</u>	<u>263,667</u>	<u>140%</u>	<u>U</u>				
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (541)</u>	<u>-</u>	<u>\$ 541</u>						
BEGINNING FUND BALANCE			<u>-</u>							
ENDING FUND BALANCE			<u>\$ -</u>							

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3
GENERAL FUND
BUDGET VARIANCE REPORT - MODIFIED ACCRUAL BASIS
For the Six Months Ended June 30, 2025
Unaudited

	2025 Annual Budget	6/30/2025 Pro-rata Budget	6/30/2025 Actual	Variance Over (Under)	% Variance to Budget	F=Favorable U=Unfavorable	Neg Variance >10% & > \$20,000	Reason for Variance / Notes	Follow Up Action	Follow Up Date
REVENUES										
Property taxes	\$ 420,015 ✓	\$ 270,000	\$ 416,028	\$ 146,028	154%	F				
Specific ownership taxes	21,000 ✓	10,500	12,250	1,750	117%	F				
Conservation trust funds	15,000 ✓	7,500	6,430	(1,070)	86%	U				
Interest	25,000 ✓	13,500	40,574	27,074	301%	F				
Total revenues	<u>481,015</u>	<u>301,500</u>	<u>475,282</u>	<u>173,782</u>	<u>158%</u>	<u>F</u>				
EXPENDITURES										
Treasurer fees	6,300 ✓	3,800	6,237	2,437	164%	U				
Transfer to District No. 1	476,000 ✓	270,000	270,000	-	100%	F				
Audit	6,650 ✓	3,300	6,650	3,350	0%	U				
Dues and memberships	1,900 ✓	1,900	661	(1,239)	35%	F				
Insurance	5,100 ✓	5,100	3,955	(1,145)	78%	F				
Election	15,000 ✓	15,000	25,258	10,258	168%	U				
Emergency reserve	15,300	7,650	-	(7,650)	0%	F				
Total expenditures	<u>526,250</u>	<u>306,750</u>	<u>312,761</u>	<u>6,011</u>	<u>0%</u>	<u>F</u>				
NET CHANGE IN FUND BALANCE	<u>\$ (45,235)</u>	<u>\$ (5,250)</u>	162,521	<u>\$ 167,771</u>						
BEGINNING FUND BALANCE			130,234							
ENDING FUND BALANCE			<u>\$ 292,755</u>							

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
BUDGET VARIANCE REPORT - MODIFIED ACCRUAL BASIS
For the Six Months Ended June 30, 2025
Unaudited

	2025 Annual Budget	6/30/2025 Pro-rata Budget	6/30/2025 Actual	Variance Over (Under)	% Variance to Budget	F=Favorable U=Unfavorable	Neg Variance >10% & > \$20,000	Reason for Variance / Notes	Follow Up Action	Follow Up Date
REVENUES										
Property taxes	\$ 1,545,440 ✓	\$ 958,000	\$ 1,530,769	\$ 572,769	160%	F				
Specific ownership taxes	92,700 ✓	48,000	54,109	6,109	113%	F				
Transfer from District No. 2	941,721 ✓	583,000	910,476	327,476	156%	F				
Bond proceeds	-	-	26,265,000	26,265,000	0%	F				
Interest	50,000	20,900	43,901	23,001	210%	F				
Total revenues	<u>2,629,861</u>	<u>1,609,900</u>	<u>28,804,255</u>	<u>27,194,355</u>	<u>1789%</u>	<u>F</u>				
EXPENDITURES										
Bond principal - 2020 series	710,000 ✓	-	-	-	-	F				
Bond interest - 2020 series	1,007,856 ✓	503,928	503,928	-	100%	F				
Bond interest - 2025 series	-	-	177,456	177,456	-	U		2025 Bond was not budgeted		
Treasurer fees	23,182 ✓	14,600	22,965	8,365	157%	U				
Bond issuance cost	-	-	251,178	251,178	-	U				
Bond underwriter's discount	-	-	110,273	110,273	-	U				
Bond issue discount	-	-	181,991	181,991	-	U				
Bond settlement payout	-	-	23,500,000	23,500,000	-	U				
Bond bond/sururity insurance	-	-	105,095	105,095	-	U				
Paying agent fee	7,000	5,500	5,312	(188)	97%	F				
Total expenditures	<u>1,748,038</u>	<u>524,028</u>	<u>24,858,198</u>	<u>24,334,170</u>	<u>4744%</u>	<u>U</u>				
EXCESS OF REVENUES OVER EXPENDITURES	<u>881,823</u>	<u>1,085,872</u>	<u>3,946,057</u>	<u>2,860,185</u>	363%					
OTHER FINANCING USES										
Transfer to IPF	-	-	(2,000,000)	(2,000,000)	-	F				
Total other financing uses	<u>-</u>	<u>-</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>	<u>F</u>				
NET CHANGE IN FUND BALANCE	<u>\$ 881,823</u>	<u>\$ 1,085,872</u>	<u>1,946,057</u>	<u>\$ 860,185</u>						
BEGINNING FUND BALANCE			<u>2,878,089</u>							
ENDING FUND BALANCE			<u><u>\$ 4,824,146</u></u>							

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3
CAPITAL IMPROVEMENT FUND
BUDGET VARIANCE REPORT - MODIFIED ACCRUAL BASIS
For the Six Months Ended June 30, 2025
Unaudited

	2025 Annual Budget	6/30/2025 Pro-rata Budget	6/30/2025 Actual	Variance Over (Under)	% Variance to Budget	F=Favorable U=Unfavorable	Neg Variance >10% & > \$20,000	Reason for Variance / Notes	Follow Up Action	Follow Up Date
REVENUES										
Interest	\$ -	\$ -	\$ 19,502	19,502	-	F				
Total revenues	<u>-</u>	<u>-</u>	<u>19,502</u>	<u>19,502</u>	<u>-</u>	<u>F</u>				
EXPENDITURES										
Capital reimbursements	-	-	-	-	-	F				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>F</u>				
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>19,502</u>	<u>19,502</u>	<u>-</u>					
OTHER FINANCING USES										
Transfer from Debt Fund	-	-	2,000,000	2,000,000	-	F				
Total other financing uses	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>F</u>				
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>2,019,502</u>	<u>\$ 2,019,502</u>						
BEGINNING FUND BALANCE			<u>-</u>							
ENDING FUND BALANCE			<u>\$ 2,019,502</u>							

August 11th, 2025

The Pesticide-free committee proposes the following steps to educate our community and reduce pesticide use:

- Pesticide use is dangerous for our residents, our pets, and for the natural environment:
 - We will share handouts at the meeting that include citations
- We would like to use an alternate vendor for landscaping that practices nature-based solutions, also known as regenerative organic landscaping as our current vendor is unwilling to alter their practices.
- Since this would be a big transition, we would like to designate a portion of community land to be managed by an alternate landscaping committee that uses nature-based solutions- less water, more long term savings, referred to also as regenerative organic. The idea is to compare the results from this parcel of land to the land managed by our continuing vendor. We will consider cost, longevity, aesthetics, and the safety of going pesticide-free. We would like to place small signs (8.5 by 11" or smaller) in this area of land saying "pesticide-free."
- In addition to our vendor requests, we would like to offer an opportunity for residents to learn more about the dangers of pesticides from both some information-sharing as well as a question and answer opportunity with Rika Gopinath from Beyond Pesticides. We would like to offer this at the same time as one of our food truck nights in the Solterra Retreat at no cost.

**Factual Statements re: the continued use of Pesticide
Chemicals in Solterra – July 2025**

**These statements were made to the Pesticide Committee Group
at their first meeting on June 13, 2025 by Daniel Dominic, Leean
McGraw and Laura Paviglianiti.**

- **The community will build out at 1352 units. We are currently 1265 units. At present, our required landscape services are:**
 - **Mowing and trimming (includes yearly mowing of FRMD native)**
 - **Weed mitigation**
 - **Fertilization of Turf**
 - **Clean-up**
 - **Irrigation Services (includes fall blow-outs, repairs and leaks)**
 - **Tree Removal and Stump Grinding**
 - **Plant trees - Spring and Fall**
 - **Spring planting of selected beds and Retreat annuals**
 - **Rock and Edging Install**
 - **Native grass reseeding**
 - **Tree wrap, staking and winter watering**
 - **Snow removal and ice melt (includes spring repair of damage done to FRMD properties as a result of snow removal)**
- **Schultz fills out paperwork everyday for the EPA and the Colorado Department of Agriculture documenting pesticide, etc. used.**

- **As per Schultz, our district landscape contractor, he states there is no commercial organic on the market that is effective. The products available over-the-counter have to be applied frequently and are not as effective. He will not make the conversion from pesticides to organics.**
- **If a landscaping company makes a conversion from non-organic to organic, it will require new equipment (cannot mix the two) and new training/certification of employees doing the applications. The community would bear those expenses.**
- **The FRMD property is approximately 10% of the total area of Solterra. Private Residences comprise the vast area of the neighborhood. If the private residences do not “buy in” to converting to organics, very little will be accomplished.**
- **Solterra is surrounded by Jeffco Open Space to the north and west of the neighborhood. Solterra lies between two canyons, Mount Vernon and Bear Creek which creates a lot of wind. These two factors increase the number of weeds here.**
- **The tributary is now maintained (mowing and weed mitigation) by the City of Lakewood. FRMD has no control over that.**
- **We are obligated to eradicate noxious weeds as per the City of Lakewood.**
- **The City of Lakewood obligates us to follow plot plans which have been filed with them.**
- **Major changes to our covenants (HOA) require 67% vote by the community.**

- Solterra has many different types of soil which makes it difficult to grow trees, shrubs, grass, etc. (note: no trees on Green Mountain). Plants that grow in our yards do not always grow in our common areas.
- Commercial Landscapers will only go glyphosphate-free if it comes from the state. As per Schultz, they will not “go anywhere near Boulder” because of their policies.
- The Landscape Contractor along with the Landscape Committee assess and manage 300-400 beds here in Solterra along with thousands of trees and shrubs. There will be more filings coming (areas not yet accepted by FRMD)
- Water testing is done by the district on a regular basis and comes back well within acceptable limits for phosphates.
- Native grass especially harbors more snakes so hand pulling of weeds becomes more of a liability.
- It is very difficult to get the community involved. Example: May election of FRMD board members, only 15-17% of the community voted.
- Daniel Dominic presented his conversation with the City of Lakewood, the summer of 2023, regarding their failures in organic pesticide usage in some of their trial parks. They were abandoning organics at that time. As per Rika, Beyond Pesticides that is no longer the case (zoom meeting July 27, 2025 with committee).

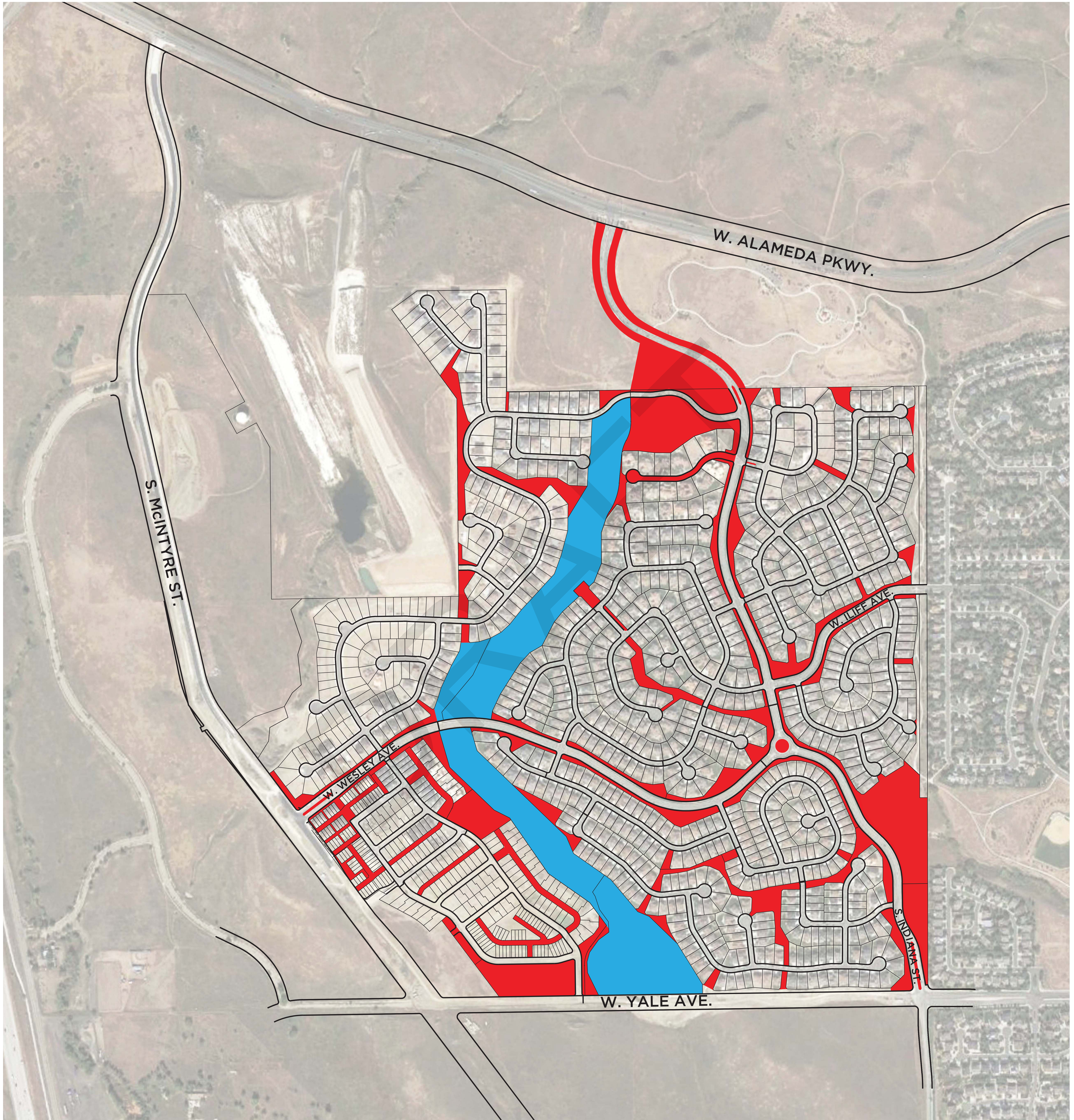
We used the Solterra map for maintenance to illustrate the common area.

We passed around hard copies from the Boulder website(2023) of their process of weed control which included both organic and regular pesticide usage.

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SOLTERRA MAINTENANCE



LEGEND

- TREE LAWN AND OPEN SPACE
- NATIVE OPEN SPACE

DRAFT
SUBJECT TO CHANGE

prepared by: April 4, 2017



Retreat and Pool Report: July and August

Rentals: The Retreat hosted 6 private events and 22 community gatherings (Book Clubs, Bunco, Empty Nesters, 100 Women of Solterra, Board Meeting and Mahjong)

**** Retreat Revenue for July events = \$3,766 unaudited.

**** Retreat Revenue YTD = \$39,773.5 unaudited.

Fitness: Classes are being held in the fitness building.

****Fitness revenue for July = \$91.11

Pool: Power washes on the patio and pool areas to clean. Paint that was applied earlier this year is starting to peel after everyday use and power washings.

Older furniture is being evaluated continually for life expectancy due to wear and tear.

The fitness bathrooms are continuing to be cleaned on Monday and Fridays until end of pool season.

This year, 795 memberships created or duplicated for an update on the membership.

This was attendance for the following months: May – 132, June – 1,624, July – 1,366 and August – 544. *As of August 12th

May numbers are probably lower than actual due to the first few days of training people how to use the software

Expenses:

Supplies were purchased for events and everyday use.

Wine refrigerator repairs.

Maintenance, Ongoing tasks and completed tasks:

The wine refrigerators were showing error codes and producing warm air. The units were serviced and back in operation.

One of the ac/furnace units is experiencing issues and vendor was called out to repair. It was determined that we should replace moisture puck and pump to solve the problem.

Back of the dumpster was cleaned out to avoid overfill or access issues.

Table Mountain repaired a broken sconce, and a parking lot light that was blown off due to high winds.

Table Mountain completed the holiday light install on 8/14.

DRAFT

August 15, 2025

Fossil Ridge Metro Districts Board Members,

The undersigned members of the Retreat and Pool Committee are submitting their resignations, effective ~~December 31, 2025~~. We have dedicated many years to the committee and believe our contributions and efforts have made a positive impact on the Retreat facilities and amenities. It would benefit the community to have new members with fresh ideas and perspectives on the Retreat and Pool Committee.

We can assure the Boards that the 2026 Budget will be completed and will leave our suggestions for some of the items delineated in the budget. Peggy is willing to assist the new committee in the transition and offer historical knowledge, should the new members desire.

With gratitude to the FRMD boards,

Peggy Waterman, chairperson

Dennis Hamilton

Laura Hamilton

Tom Donovan

Dawn Donovan

Resignation is effective 8/31/25

Proposal

August 12, 2025

Submitted To: Solterra - Filing 16
7995 E. Prentice Ave., Suite 103E

Greenwood Village CO 80111

Project: Solterra - Filing 16 tree plantings



Scope

We propose to furnish the following scope of work to complete the above mentioned project:

02	Install one 3" greenspire linden	At a cost of	\$1,872.56	_____
03	Install one 3" hot wings maple	At a cost of	\$1,594.87	_____
04	Install one 3" greenspire linden	At a cost of	\$1,872.56	_____
05	Install one 3" hot wings maple	At a cost of	\$1,594.87	_____
08	Install one 3" greenspire linden	At a cost of	\$1,872.56	_____
09	Install one 3" hot wings maple	At a cost of	\$1,594.87	_____
10	Install one 3" greenspire linden	At a cost of	\$1,872.56	_____
15	Install one 8'bosnian pine	At a cost of	\$1,512.25	_____
16	Install one 3" texas red oak	At a cost of	\$1,796.30	_____
18	Install one 3" greenspire linden	At a cost of	\$1,872.56	_____
20	Install one 3" rocky mountain maple	At a cost of	\$1,594.87	_____
21	Install one 3" rocky mountain maple	At a cost of	\$1,594.87	_____
22	Install one 3" rocky mountain maple	At a cost of	\$1,594.87	_____
23	Install one 3" rocky mountain maple	At a cost of	\$1,594.87	_____
24	Install one 3" rocky mountain maple	At a cost of	\$1,594.87	_____
25	Install one 3" norwegian maple	At a cost of	\$1,709.26	_____
26	Install one 3" greenspire linden	At a cost of	\$1,872.56	_____
27	Install one 8' bosnian pine	At a cost of	\$1,512.25	_____
28	Install one 3" rocky mountain maple	At a cost of	\$1,594.87	_____
29	Install one 3" rocky mountain maple	At a cost of	\$1,594.87	_____
32	Install one 3" texas red oak	At a cost of	\$1,796.30	_____
33	Install one 3" texas red oak	At a cost of	\$1,796.30	_____
34	Install one 3" texas red oak	At a cost of	\$1,796.30	_____
99	Install one 3" greenspire linden	At a cost of	\$1,872.56	_____

Total = \$40,975.58

Terms & Conditions

Proposal may be withdrawn if not accepted within 30 days of issue date

All plant installations come with a 1 year warranty, provided the maintenance is provided by Schultz Industries, Inc.

Unless specifically included in the above specs, all necessary irrigation work required with this task will be billed on a time and material basis at a rate of \$75.00 per hour or your current contract rate.

Upon acceptance, please initial desired services, sign and return this proposal

By: Joshua J. Schultz

8/12/2025

Accepted: _____

Schultz Industries, Inc.

Date

Solterra - Filing 16

Date

DRAFT