MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
SPRING MESA METROPOLITAN DISTRICT (THE "DISTRICT")
HELD
APRIL 16, 2026

A regular meeting of the Board of Directors (referred to hereafter as the "Board") of the Spring Mesa Metropolitan District convened on April 16, 2026, at 6:00 p.m. via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors in attendance were:

Georgia Magnera, President
Erin Morris, Vice President
Wayne Harris, Secretary
Lawrence Seidl, Treasurer
Jamie Knight, Assistant Secretary

Also, in attendance were:

Lisa Johnson, Alexander Clem, Marlena Brzeska-Cloyd and Yelena Primachenko of CliftonLarsonAllen LLP ("CLA")
Colin Mielke, Esq. and Ryan Liston, Esq. of Seter, Vander Wall & Mielke, P.C.
Tim and Cynthia Axley, Ron and Kathleen Montague, Roman and Cindy Baginski, Jerry and Janet Rucker, Corey Depatro, John Hampshire, Carla Bailey, Casey Costley, Suzie Costley, Danielle Levstik, Dave and Stacey Dhein, Deborah Guiducci, Peyton Mason, Geoff and Vi, Larry and Judy Ware, Rich Hansen and other members of the public

ADMINISTRATIVE MATTERS

Call to Order and Agenda:

Mr. Clem called the meeting to order at 6:00 p.m. The Board reviewed the agenda. Following review and discussion, upon a motion duly made by Director Seidl, seconded by Director Magnera, and upon vote unanimously carried, the Board approved the agenda, as amended, to add discussions regarding the reserve study, make-up water for ponds and the repair of the wooden board at the bridge under "Operations & Maintenance."

Disclosures of Potential Conflicts of Interest:

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest regarding any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors, and that Director Knight serves on the community HOA board.

<u>Quorum, Location of Meeting, Posting of Meeting Notice and 24-Hour Posting Location:</u>

The Board confirmed the presence of a quorum.

The Board discussed the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. It was further noted that the notice providing the time, date, location, and video link information was posted and that no objections to the location or any requests that the meeting place be changed by taxpaying electors within the District's boundaries were received.

Upon a motion duly made by Director Morris, seconded by Director Harris and, upon vote unanimously carried, the Board designated the District's website as the 24-hour posting location.

<u>Introduction of New General Counsel and New CLA Staff:</u>

Seter, Vander Wall & Mielke introduced themselves to the Board as the District's new general counsel. CLA also introduced new staff that will be working on District matters moving forward.

<u>Presentation on History of Operations & Maintenance Fee and Mill Levy Imposition:</u>

Ms. Johnson provided an overview to the Board regarding the history of the Operations & Maintenance fee and mill levy since 2020. She further outlined the Board's 2020 decision to discontinue the fee and adopt a mill levy for cost savings. A legal memorandum from 2019 outlined the process and confirmed the Board's authority for revenue collection. It was noted that community communication was mailed in the summer of 2020 and was followed by resident feedback. Following consideration of resident comments, the Board took formal action in November 2020 to terminate the Operations & Maintenance fee and impose the Operations & Maintenance mill levy, with collection beginning in 2021.

Ms. Johnson also reviewed historical revenue information, noting that the former Operations & Maintenance fee generated approximately $300,288 annually. She summarized mill levy revenues as follows: 2021 (19.055 mills – $300,295), 2022 (19.905 mills – $326,681), 2023 (20.464 mills – $329,061), 2024 (22.270 mills – $459,473), 2025 (22.269 mills – $459,559), and 2026 (22.103 mills – $483,696). Discussion followed regarding mill levies, tax rates, revenue and the 5.25% growth cap.

<u>Public Comment:</u>

Director Knight outlined the process for public comment.

Ms. Johnson provided clarification regarding the difference between public meetings and public hearings.

Rich Hansen addressed the Board regarding the District decision-making process and communication, suggesting that the District includes a Q&A section in the newsletter. He further discussed the tax statement and mill levy.

Casey Costley offered two suggestions to the Board including the initiation of a multi-year operational and reserve study that would include deferred maintenance needs and the evaluation of implementing a fair, flat-fee funding model to replace the current mill levy and the enhancement of communication and transparency by providing advance responses to resident questions and recordings of Board meetings for public access. The complete comment is included as an attachment to the meeting minutes.

Tim Axley addressed the Board regarding funding allocation, community drought concerns, water restrictions and fire mitigation.

Suzie Costley addressed the Board regarding the Beautification Committee proposal, expressing her concerns that it does not reflect community feedback. She also suggested improvements such as the addition of trees, trails and irrigation for Board consideration. She further requested a publicly accessible link outlining regulation related to metro districts.

Deborah Guiducci expressed concerns to the Board regarding members feeling that their voices are not being heard within the community. She referenced the Beautification Committee survey, suggesting that a new survey be prepared outlining priorities and expenditures in more detail.

Peyton Mason agreed with observations from other members of the public, noting that feedback from the Beautification Committee addresses the lowest priorities rather than the top concerns of the community.

Roman and Cindy Baginski asked whether the Board actively evaluates options to reduce long-term taxpayer cost on the debt, such as refinancing, early redemption, or limiting reserve accumulation beyond operational needs.

Jessica DePatro expressed her support for transparency and communication, suggesting the redistribution of the Beautification Committee survey to the community that includes dollar amounts.

Corey DePatro inquired about the process for initiating a community discussion regarding a potential neighborhood pool, including the required steps such as zoning and permitting, coordination between the HOA and the District, the process for obtaining bids, and how community approval is sought. He also asked whether annual financial statements separately track pond related costs, including water usage and cost, maintenance expense, and capital expenditures. He further requested that the Board post meeting minutes and call-in information on the neighborhood's Facebook group to help maximize community awareness and participation, noting that while it is not the official posting location, it is a widely used communication platform with the community. Additionally, Mr. DePatro requested clarification regarding how the cost of water used to fill the pond is classified in the District's financial records. It was noted that this is coded to a utility line item in the budget.

CONSENT AGENDA

- Minutes from February 26, 2026 Special Board Meeting

The Board reviewed the consent agenda. Following review, upon a motion duly made by Director Magnera, seconded by Director Harris and upon vote unanimously carried, the Board approved the consent agenda item, as amended, to include the revisions discussed.

FINANCIAL MATTERS

December 31, 2025 and February 28, 2026 Unaudited Financial Statements and Schedule of Cash Position:

Ms. Primachenko presented the unaudited financial statements to the Board. Following review and discussion, upon a motion duly made by Director Magnera, seconded by Director Knight and, upon vote unanimously carried, the Board accepted the December 31, 2025 and the February 28, 2026 Unaudited Financial Statements and Schedule of Cash Position, as presented.

Payment of Claims:

Ms. Primachenko reviewed the payment of claims with the Board. Following review, upon a motion duly made by Director Magnera, seconded by Director Knight and, upon vote unanimously carried, the Board approved/ratified the payment of claims in the amount of $130,789.08. as presented.

OPERATIONS AND MAINTENANCE MATTERS

Monument Concept Plans for Entrance on 76th Drive and the First Roundabout on 77th Drive Presented by the Beautification Committee:

Roundabout Enhancements and Spring Mesa Signage:

The Beautification Committee provided an update regarding concept plans for monument signage and entrance enhancements at 76th Drive and the first roundabout on 77th Drive. The Committee explained that the initiative was driven by community feedback regarding the appearance and condition of neighborhood entrances and signage, noting strong community participation through a recent survey.

Outdoor Lifestyles prepared initial design concepts, with feedback favoring bold lettering and lighter stone materials. Director Seidl recommended moving forward with an RFP reflecting such preferences, with consistent signage, eco-friendly design elements and reduced turf.

Discussion ensued regarding water conservation considerations, scope and cost components, RFP specifications, budgeting and applicable public bidding requirements. Director Knight disclosed a conflict of interest related to Outdoor Lifestyles and was recused from voting.

Upon a motion duly made by Director Magnera, seconded by Director Morris and, upon vote majority carried, the Board approved engagement with Outdoor Lifestyles to develop a full project scope, including take-offs and specifications for the proposed monument signage concepts. Director Knight abstained.

Enhancements for Remaining Roundabouts within the District:

This item was tabled.

Pond Updates:

Update from Pond Committee Presented by Director Morris:

Director Morris provided an update to the Board, noting that the Pond Committee has met a few times and has identified ongoing infrastructure issues requiring action. The Committee is gathering information and seeking potential re-design proposals. Director Harris offered a site tour and additional background information.

Further discussion ensued regarding cost efficiency. Following discussion, the Board directed the Committee to proceed with requesting additional information needed to address the issue.

Action Regarding Cleanup of Ponds from Clear Creek Waterfalls LLC Due to City of Arvada Watering Restrictions:

The Board discussed pond cleanup services proposed by Clear Creek Waterfalls LLC. Director Magnera provided an overview of the issue and posed questions regarding whether to proceed with cleanup at this time and whether the ponds should be refilled or remain empty pending next steps.

Following discussion, upon a motion duly made by Director Magnera, seconded by Director Morris and, upon vote majority carried, the Board approved proceeding with pond cleanup based on current information, noting that while pond cleaning is critical, refilling the ponds is not essential under the current water restrictions. Director Harris abstained.

Pond Maintenance Agreement with Clear Creek Waterfalls LLC Contingent Upon Cleanup of Ponds:

This item was tabled to be discussed at a future meeting.

Invoice No. 2278 from Clear Creek Waterfalls LLC for Detention Pond Cleanup:

Mr. Clem reviewed the invoice with the Board. Following review, upon a motion duly made by Director Seidl, seconded by Director Magnera and, upon vote unanimously carried, the Board ratified Invoice No. 2278 from Clear Creek Waterfalls LLC for detention pond cleanup in the amount of $2,100.00, as presented.

Replacing Dead Tree on 76th Drive:

Following discussion, the Board agreed to proceed with the replacement of a dead tree on 76th Drive.

Treatment of Noxious Weeds:

Discussion ensued regarding noxious weeds in the community and a potential treatment plan. Ms. Primachenko and Mr. Clem will review invoices, scope of work and any past information from prior vendors that provided weed treatment services. CLA will then provide this information to the Board and Director Knight will seek bids.

Potential Reserve Study:

The Board discussed conducting a potential Reserve Study, highlighting the estimate of costs and future budgeting for infrastructure. It was noted that a study has not been performed since 2020. Upon a motion duly made by Director Knight, seconded by Director Magnera, and, upon vote unanimously carried, the Board moved to seek bids on a reserve study.

Makeup Water for Ponds:

The Board discussed engaging a contractor to perform additional pond work. Director Knight will work with Cutting Edge to discuss work still needed and potential quote.

Bridge Repair:

Director Knight will contact Clear Creek and Cutting Edge for a quote to repair the bridges at the east pond.

DIRECTOR MATTERS

None.

LEGAL MATTERS

None.

MANAGER MATTERS

Safety Grant:

Mr. Clem stated that a safety grant reimbursement request related to the Streamline invoice was submitted and approved. A reimbursement of $480.00 was issued under the ADA compliance category of the safety grant.

City of Arvada Sewer Repair:

Mr. Clem provided an update to the Board regarding the City of Arvada sewer repair, noting that the City reported that the issue was caused by root balls in the sewer pipes. Director Morris inquired about her understanding that calcium buildup in the pipes caused the pipes to break, and Mr. Clem said he would seek clarity from the City.

CLA to Work with Legal Counsel to Prepare On-Call Agreements:

Mr. Clem noted that CLA and legal counsel are working on on-call agreements to bring back to the Board for review. Director Harris requested that the Board consider Ramey for proposals.

OTHER BUSINESS

Scheduling Remaining Two Special Meetings:

The Board discussed scheduling special meetings in July and September. Director Harris also extended the invitation to do a tour of the pond and will send information to CLA to distribute to the Board.

ADJOURNMENT

There being no further business to come before the Board at this time, the Board adjourned the meeting at 9:26 p.m.

Respectfully submitted,

By ________________________________

Secretary for the Meeting

Casey Costley Public Comment.

I would like to make a proposal to the board to initiate a study to determine the projected operational run rate of the metro district for the next 1-5 year period. This run rate would be inclusive of currently documented budget expenditures and deferred maintenance projects (e.g., irrigation systems, pond maintenance (not enhancements), drought mitigation, among others. This run rate would incorporate a practical reserve fund for these expenditures and unforeseen needs.

As an outcome of this study, a common flat fee applied to each Spring Mesa household would be determined to fund the budget into the foreseeable future. This would preclude the over taxation of Spring Mesa residents that has occurred in the past years. This flat fee should incorporate the utilization of the current excess reserve funds to lower the financial burden placed on homeowners by the metro district. This flat fee would be applied in lieu of the inequitable mill levy and property valuation-based taxation method currently managed by Jefferson County on behalf of the metropolitan district. I discussed this approach with the Jefferson County Deputy Treasurer (Michelle Ullery) this week, and it was determined that the common flat fee would have to be administered and maintained by the metro district itself or by an agency acting on its behalf as Jeffco can only collect monies from residents based on a tax mill levy.

This flat fee method has been utilized by the metro district in the past, and it seems very feasible to use this method in the future in much the same way the Spring Mesa HOA currently manages and collects homeowner dues. This common flat fee would also be more equitable in that each Spring Mesa resident will pay the same amount for metro district services versus the current system that charges some residents more and some residents less for these equally shared services.

I would also like to make a 2nd proposal. This proposal would facilitate beneficial communications between the board and residents by having CLA commit to obtaining answers and/or updates to the questions presented such that the responses can be posted to the public at least one week prior to the next scheduled board meeting.

I would also suggest CLA record meetings and post these recordings such that residents can view the meetings if they are unable to attend.