

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 1

Held: Monday, October 25, 2021 at 8:00 a.m. at
<https://us02web.zoom.us/j/7636703470>
Meeting ID: 763 670 3470, Or
Dial-In Number: 1 + (720) 707-2699
Meeting ID: 763 670 3470, Passcode: #

Attendance:

The meeting of the Board of Directors of Buckhorn Valley Metropolitan District No. 1 (the “Board of Directors” or “Board”) was called and held as shown in accordance with the statutes of the State of Colorado.

The following Directors were present:

John V. Hill, President (*via video/telephone conference*)
Anna Maria Ray, Assistant Secretary (*via video/telephone conference*)

The following Director was absent:

Dave Garton, Treasurer

Also present were: Jennifer L. Ivey, Attorney for the District, Icenogle Seaver Pogue, P.C. (*via video/telephone conference*); AJ Beckman, District Manager, Public Alliance, LLC (*via video/telephone conference*); Debra Sedgeley, District Accountant, CliftonLarsonAllen LLP (*via video/telephone conference*); the following Buckhorn Valley Metropolitan District No. 2 Board Members: Brandon McGlamery and David Fiore (*via video/telephone conference*); and the following members of the public: Mark Hoblitzell, Maxine Hepfer, Angela Heuman, and Christine Hepfer (*all via video/telephone conference*).

**Call to Order/
Declaration of Quorum:**

Director Hill called the special meeting of the Board of Directors of the Buckhorn Valley Metropolitan District No. 1 to order at 8:01 a.m. at which time it was noted that the notice of this meeting was properly posted within the District. Ms. Ivey noted that a quorum of the Board was present.

Mr. Beckman reviewed the District’s procedure for public comment. He explained that in order to accommodate public comment and allow for the orderly conduct of District business, members of the public wishing to speak during agenda items are required to use the “raise hand” feature in Zoom and wait to be recognized by the

host. Members of the public who joined by phone were asked at the time they connected to the Zoom platform to indicate which agenda items they were interested in speaking about. He noted that all public comment is limited to three minutes per person and explained that a warning would be provided when the speakers had 30 seconds remaining. Speakers were advised that at the expiration of the three minutes they would be muted.

**Director's Matters/
Disclosure Matters:**

The Directors reviewed the agenda for the meeting, following which each Board member confirmed the contents of written disclosures previously made, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting.

Mr. Hoblitzell noted concern for the community and expressed specific concern that the Board is considering appointments when there has been, in his opinion, insufficient community outreach efforts. He requested that the Board delay vote until additional outreach has taken place.

Ms. Angela Heuman addressed the Board noting that she is interested in becoming more involved in the community and said she was surprised that the appointment of Directors to the board seats, although legally posted, were not more widely publicized, and would have liked to see a greater outreach effort.

Mr. David Fiore noted that as a Director on the Board of Buckhorn Valley Metropolitan District No. 2, ("District No. 2") he agrees with the comments of the prior residents and requested that the Board work in collaboration with District No. 2. He expressed concern regarding the method of notice of the Board vacancies and requested more time and greater outreach be provided prior to any appointments being made. He then noted that Ms. Hepfer would have standing conflicts of interest and noted that little is known about Mr. Richards. He then requested that appointment of Directors be delayed, and the two Boards find a way to work together at the November 16, 2021 Board meeting.

**Consider appointment of
eligible electors:**

Director Hill recognized that there are two qualified candidates that have expressed interest in filling the vacancies. Ms. Ivey noted that her office has verified that both are registered Colorado voters.

Following discussion, upon motion duly made by Director Hill, seconded by Director Ray, and upon vote unanimously carried, the Board appointed Nicholas Richards to fill the vacancy created by the resignation of Samantha Gale.

Following discussion, upon motion duly made by Director Hill, seconded by Director Ray, and upon vote unanimously carried, the Board appointed Maxine Hepfer to fill the vacancy created by the resignation of Scott Green.

Ms. Sedgeley asked if the Directors would need to be required to run for election this May. Ms. Ivey confirmed that this is the case and further explained that her office will send an Oath of Office and other introductory information to the appointees. The Oath of Office will need to be completed and returned to her office for filing within 30 days of the Board appointment, at which time they will be officially seated on the Board.

Approval of/Additions to/Deletions from the Agenda:

Following discussion, upon motion duly made by Director Hill, seconded by Director Ray, and upon vote unanimously carried, the Board approved the Agenda as amended to include the election of officers.

Consider Election of Officers:

Following discussion, upon motion duly made by Director Hill, seconded by Director Ray, and upon vote unanimously carried, the Board elected Mr. Richards to serve as Board President.

Following discussion, upon motion duly made by Director Hill, seconded by Director Ray, and upon vote unanimously carried, the Board elected Ms. Maxine Hepfer to serve as Board Treasurer and Secretary.

Public Comment for Matters not on the Agenda:

Mr. McGlamery addressed the Board as a newly appointed Director for District No. 2. He reiterated that members of the public expressed concern over the appointment of Directors today and further noted that the appointed Directors were subsequently elected to the positions of President and Treasurer/Secretary. He commented that the actions in his opinion would not bolster public trust.

Mr. Fiore expressed disappointment over the Board appointments and asked for additional information on Mr. Richards. Mr. Beckman noted that he is aware that Mr. Richards is a resident of the District but does not have additional information. Ms. Heuman noted that she is an acquaintance of Mr. Richards. She stated that he is a resident of Hawk's Nest and believes Mr. Richards rents his home from Ms. Hepfer. Ms. Maxine Hepfer noted that Mr. Richards is not her tenant. Mr. Fiore noted that the Board asked for letters of interest and statements of qualification for residents interested in serving on the Board of Directors for District No. 2 but is unaware of any such requirements for the candidates appointed today.

Mr. Hoblitzell requested that the Board consider scheduling meetings after work hours in order to allow greater participation by the public.

He further requested that the Board meetings conducted via Zoom be recorded and posted to the District's website. He referenced the meetings conducted by the Town of Vail and the City of Avon as examples of public meetings being recorded and posted for viewing.

Consent Agenda:

Mr. Beckman reviewed the consent agenda with the Board. The Board considered the following items:

- Approval of September 8, 2021 Special Meeting minutes
- Approval of form and transmittal of letter to delinquent account holders regarding notice of public meeting regarding certification of delinquent accounts

Upon motion duly made by Director Hill, seconded by Director Ray and upon vote, unanimously carried, the Board approved the consent agenda as presented.

Operations Matters:

Winterization of Irrigation System:

Mr. Beckman reported that winterization of the system is substantially complete.

Buckhorn Pond Maintenance:

Mr. Beckman reported that concerns of significant algae were raised at the District No. 2 Board meeting. He advised the Board that this would be a maintenance item to monitor going forward.

Eagle River Pump Station Cost Share Agreement between Sienna Lake, Airport Gateway, and the District:

Mr. Beckman reported that the cost share agreement is in negotiation. Ms. Ivey reported that she expects to connect with the Attorney for Sienna Lake in the next few days.

Financial Matters:

Payment of Claims:

Ms. Sedgeley reviewed the check register with the Board for the period ending October 25, 2021 in the amount of \$109,776.85.

Following discussion, upon a motion duly made by Director Hill, seconded by Director Ray and upon vote, unanimously carried, the Board approved the claims as presented.

2022 Draft Budgets:

Ms. Sedgeley reviewed the changes requested by District No. 2 with the Board. It was noted that the primary modifications requested were to eliminate the budgeted allocations for a potential refinancing of the debt for District No. 2, and for the General Fund activity to be moved from the District to District No. 2.

Following discussion, upon a motion duly made by Director Hill, seconded by Director Ray and upon vote, unanimously carried, the

Board determined to proceed with the original budget drafted by the District's Accountant without the modifications proposed by District No. 2. Ms. Ivey noted that the Budget Hearing is scheduled for November 16, 2021, and the action taken today is not a formal budget approval.

Ms. Maxine Hepfer noted that changes to the budget as originally drafted appear to exceed the parameter of the Service Agreement between the Districts.

Legal Matters:

Intergovernmental Agreement between the District and District No. 2:

Ms. Ivey noted that District No. 2 took action to terminate the agreement effective December 31, 2021.

Engagement of Special Counsel:

Ms. Ivey noted that her firm has agreed to serve as limited General Counsel to both Districts on routine compliance matters but recommended that the Board consider engaging Special Counsel to assist with matters of adverse interest between the two Districts.

Following discussion, upon a motion duly made by Director Hill, seconded by Director Ray and upon vote, unanimously carried, the Board determined to table the matter until a later date.

Other Business:

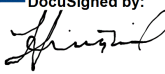
Ms. Sedgeley then addressed the Board. She noted that her firm may have a conflict, and she will need to discuss the continued relationship with the Principals of CliftonLarsonAllen LLP.

Mr. Beckman advised the Board that he believes he can no longer be fiduciary to both Boards and tendered his 30-day notice of termination of services. He advised the Board that he would continue to assist as necessary with year-end compliance matters.

Mr. Fiore thanked Mr. Beckman for his work with both Districts. Mr. McGlamery also thanked Mr. Beckman for his work with the Districts and asked if the job description for Mr. Slaughter could be finalized in the near future. Mr. Beckman noted that he will make this a priority.

Adjournment:

Following discussion and upon motion duly made by Director Hill, seconded by Director Ray, and upon vote unanimously carried, the Board adjourned the meeting at 8:54 a.m.

DocuSigned by:

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Secretary