

RECORD OF PROCEEDINGS

MINUTES OF THE CONSOLIDATED SPECIAL MEETING OF THE BOARDS OF DIRECTORS OF THE BUCKHORN VALLEY METROPOLITAN DISTRICTS NOS. 1 & 2

Held: Monday, July 19, 2021 at 3:00 P.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 consolidated meeting of the Boards of Directors of Buckhorn Valley Metropolitan District Nos. 1 & 2 (the “Boards of Directors” or “Boards”) was called and held as shown in accordance with the statutes of the State of Colorado. All participation was via the Zoom meeting location in order to preserve the health, safety, and welfare of the public in light of the imminent threat caused by the COVID-19 Pandemic and due to the State of Emergency declared by Governor Polis, as amended and extended, corresponding Executive Orders and Public Health Orders, as amended and extended, and CDC recommendations against gathering in large groups in order to mitigate the spread of the COVID-19 virus.

The following District No. 2 Directors were present:

Nickolas Viau, President (*via video/telephone conference*)

Erin Gallimore, Secretary/Treasurer (*via video/telephone conference*)

Dave Garton, Assistant Secretary (*via video/telephone conference*)

The following District No. 1 Directors were absent:

John Hill, President

Scott Green, Assistant Secretary

Anna Maria Ray, Assistant Secretary

Also present were: Jennifer L. Ivey, Attorney for the Districts, 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*); Kyle Thomas, DA Davidson (*via video/telephone conference*); and the following members of the public: Jeff Roberts, Jacob Hollars, Kendra

Powell, David Fiore, Beverly Fiore, Christiane Hepfer, and Maxine Hepfer (*all via video/telephone conference*).

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

Director Viau called the consolidated special meeting of the Boards of Directors of the Buckhorn Valley Metropolitan Districts Nos. 1 & 2 to order at 3:00 P.M., at which time it was noted that the notice of this meeting was properly posted within the Districts. Ms. Ivey noted that a quorum of the District No. 2 Board was present; however, there was no quorum for the District No. 1 Board and therefore no actions may be taken by District No. 1.

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 on the Zoom platform and wait to be recognized by the host. Members of the public who joined by telephone conference were asked at the time they connected to the Zoom platform to indicate which agenda items they were interested in speaking. 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.

Disclosure Matters:

The Directors for District No. 2 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.

**Election of Officers For
District No. 2:**

Ms. Ivey discussed the outcome of the June 29, 2021 Recall Election for District No. 2. She explained that Directors Hill, Garton and Ray were recalled, leaving the office of President open. She also explained that the office of President is required to be filled, and that the Director serving as Treasurer may also serve as Secretary.

Following discussion, upon motion duly made by Director Viau, seconded by Director Gallimore, and upon vote unanimously carried, the Board of District No. 2 elected Nick Viau as President of the District No. 2 Board and Erin Gallimore as Treasurer/Secretary of the District No. 2 Board.

**Approval of/Additions
to/Deletions from the
Agenda:**

Following discussion and upon motion of Director Gallimore and second of Director Viau, the District No.2 Board of Directors voted unanimously to approve the Agenda as presented.

Public Comment for Matters not on the Agenda:

There was no public comment for matters not on the Agenda.

Consent Agenda:

Following review, upon motion duly made by Director Gallimore, seconded by Director Viau, and upon vote unanimously carried, the District No. 2 Board approved the minutes of the March 31, 2021 consolidated special meeting of District Nos. 1 and 2, and the minutes of the May 12, 2021 Study Session of District Nos. 1 and 2. Ms. Ivey noted that the March 31, 2021 and May 12, 2021 meeting minutes still require the approval of the District No. 1 Board.

Financial Matters:

Financial Reports/Payment of claims:

Approval of the payment of claims was deferred until it can be reviewed and approved by the District No. 1 Board.

Ms. Sedgeley reviewed the unaudited financial statements for the period ending March 31, 2021 with the District No. 2 Board

Following discussion, upon motion of Director Gallimore and second of Director Viau, the District No. 2 Board voted unanimously to accept the March 31, 2021 unaudited financial statements as presented.

Potential refinancing of District No. 2's debt:

Mr. Thomas reviewed with the Board a presentation by DA Davidson outlining a potential refinancing of the District's debt. Director Viau asked if the current proposed refinancing would affect the current mill levy cap. Mr. Thomas reported that the refinancing would include the same mill levy cap of 50.000 mills adjusted annually as necessary to remain revenue neutral. Director Viau then asked why the debt was not successfully refinanced in 2019. Mr. Thomas explained that the proposed refinancing required subordinate bondholder consent which was not obtained at the time. Mr. Viau then asked if the proposed refinancing is more likely to be successful. Mr. Thomas reported that he has been in contact with the subordinate bondholder who has indicated that a refinancing would be preferable given current market conditions. Mr. Thomas asked if the Board would like to engage the consultants that worked on the proposed 2019 refinancing since they are familiar with the District and the debt structure. Ms. Ivey noted that it would be logical to use the same consultants and further explained that the underwriter and attorneys engaged specifically for the refinancing would be paid only if the refinancing was successful.

Following discussion, upon motion of Director Viau and second of Director Gallimore, the District No. 2 Board voted unanimously to proceed with the refinancing and requested that Mr. Thomas obtain proposals from the consultants that worked on the 2019 proposed refinancing.

Ms. Ivey recommended that the Board consider engaging a Municipal Advisor to work as a fiduciary to the Board throughout the refinancing. She noted that the fees paid to the Municipal Advisor would also typically be contingent upon a successful refinancing.

Following discussion, upon motion of Director Viau and second of Director Gallimore, the District No. 2 Board voted unanimously to authorize and direct Ms. Ivey to obtain proposals for a Municipal Advisor for Board consideration.

2020 Audit Extensions: Ms. Sedgeley discussed with the Board filing a 2020 audit extension for the District No. 2 audit. Following discussion, upon motion of Director Viau and second of Director Gallimore, the District No. 2 Board voted unanimously to approve the 2020 audit extension.

Updates to Bank Account Signatories: Ms. Sedgeley reported that updating the signatories for the bank accounts is in process and reported that no action is necessary at this time.

Operations Matters:

Resolution 2021-07-01 Regarding Formation of a Citizen Advisory Committee: The District No. 2 Board discussed the current business to be addressed by the committee and determined to defer the resolution for the time being.

Repairs to Buckhorn Pond: Mr. Beckman reported that the repairs to Buckhorn Pond were performed well under the initial estimates. The total repair costs were under \$10,000. The pond has been filled and Mr. Slaughter is treating the water to control the significant algae formation that has established this year. Director Viau reported that the gate to the Bureau of Land Management (“BLM”) land was recently broken by vandals. Mr. Beckman reported that he will follow up with Mr. Slaughter on this matter.

Status of Irrigation for soccer field: Mr. Beckman reported the Mr. Slaughter recently repaired an irrigation main line break near the Soccer Field. He further reported that ongoing issues with the controller were causing a lack of watering. The problem was found to be the power supply. Temporary repairs have been made and a new irrigation controller has been ordered

Eagle River Pump Station: Mr. Beckman reported that the electric bill for the pump station is currently being paid by Airport Gateway Property Owners Association. He explained that three separate entities have pumps in the pump station: District No. 1, Airport Gateway Property Owners Association, and George Roberts, the owner of the Sienna Ridge

property. Mr. Beckman reported that there are access issues that need to be resolved and he is working on equitably dividing the pumping costs among all parties.

Legal Matters:

2021 Recall Election: Ms. Ivey explained that Directors Hill, Garton and Ray of District No. 2 were recalled on June 29, 2021. She then discussed the process for appointing new Directors to the three vacant seats on the District No. 2 Board. She explained that there is no legally required process to solicit interested candidates; however, she recommended utilizing the readily available resources to reach out to the community. Director Gallimore recommended that the District send an e-blast requesting that interested candidates send letters of interest to Mr. Beckman, and for the Directors to then review and decide which candidates are best suited for the Board vacancies. Following discussion, the Board directed Mr. Beckman to send an e-blast to the community, requesting letters of interest of interest from eligible electors wishing to fill the vacancies and to bring those back to the Board for consideration.

Resolution Designating an Official Custodian for the Colorado Open Records Act: Ms. Ivey reviewed the resolution with the Board and discussed the role of the Official Custodian.

Following discussion, upon motion of Director Gallimore and second of Director Viau, the District No. 2 Board unanimously approved the resolution designating Director Gallimore as the Official Custodian.

Rules Related to Requests for Inspection of Public Records Pursuant to Colorado Open Records Act: The Official Custodian adopted the Rules Related to Requests for Inspection of Public Records Pursuant to the Colorado Open Records Act, Sections 24-72-200.1 *et seq.*, C.R.S.

Executive Session pursuant to Sections 24-6-402(4)(b) and/or 24-6-402(4)(e), C.R.S. for purposes of conferences with an attorney for the purposes of receiving legal advice on specific legal questions and/or determining positions relative to matters that may be subject to negotiations regarding Pursuant to Sections 24-6-402(4)(b) and/or 24-6-402(4)(e), C.R.S., upon motion of Director Gallimore and second of Director Viau, and upon an affirmative vote of at least two-thirds of the quorum present, the District No. 2 Board convened in executive session at 4:27 p.m. for purposes of conferences with an attorney for the purposes of receiving legal advice on specific legal questions and/or determining positions relative to matters that may be subject to negotiations regarding Districts' fees and/or facilities.

Pursuant to Section 24-6-402-(2)(d.5)(II)(B), C.R.S., no record will be kept of the remaining portion of this executive session that, in the

Districts' fees and/or facilities:

opinion of the District's attorney, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

(all members of the public were placed in the waiting room and therefore left at this time).

Engagement of Special Litigation Legal Counsel:

The District No. 2 Board reconvened in regular session at 5:07 p.m.

(all members of the public were admitted from the waiting room rejoined the meeting at this time).

Ms. Ivey reviewed with the Board the engagement letter for Peter C. Forbes with Carver, Schwarz, McNab, Kamper & Forbes, LLC to provide legal advice related to the matters raised in the letter from B.V. Firewheel, LLC disputing the water fee. David Fiore asked the Directors if they had considered or will consider other litigation attorneys. Director Viau reported that the District No. 2 Board is comfortable with engaging Mr. Forbes at this time.

Following discussion, upon motion of Director Viau and second of Director Gallimore, the District No. 2 Board unanimously approved the engagement letter as presented.

RV Lot Discussion:

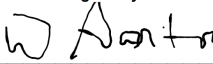
Following discussion, the Board directed Attorney Ivey to proceed with drafting a set of rules and regulations for the RV Lot, for consideration by the Boards of District Nos. 1 and 2.


Other Business:

Beverly Fiore inquired as to the timing of the appointment of new Directors and encouraged the Board to act expeditiously. Director Viau assured Ms. Fiore that would be the case.

Adjournment:

Following discussion and upon motion duly made and upon second the Board adjourned at 6:23 p.m.

DocuSigned by:

B20A5161DF7D4F5... Secretary District No. 1

DocuSigned by:

68444158BB1948E... Secretary District No. 2