

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2

Held: Thursday, October 7, 2021 at 5:00 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 meeting of the Board of Directors of Buckhorn Valley Metropolitan District No. 2 (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:

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

Eliana Walker, (*via video/telephone conference*)

David Fiore, (*via video/telephone conference*)

Brandon McGlamery, (*via video/telephone conference*)

Kristine Rossier, (*via video/telephone conference*)

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*); Debbie Sedgeley, Accountant for the District, CliftonLarsonAllen LLP (*via video/telephone conference*); and the following members of the public: Christiane Hepfer, Maxine Hepfer, Derek Place, Jeff Roberts, Nick Richards, and Mark Hoblitzell (*all via video/telephone conference*).

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

Mr. Beckman noted that a quorum of Directors was present for the special meeting of the Board of Directors of the Buckhorn Valley Metropolitan District No. 2 and called the meeting to order at approximately 5:00 p.m., at which time it was noted that the notice of this meeting was properly posted within the District.

Disclosure Matters:

The Directors reviewed the agenda for the meeting, following which each Board member confirmed that they had no conflict of interest related to matters on the agenda.

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

Mr. Beckman requested the addition of a discussion of signage and postings on District Property. Director Fiore requested the addition of a discussion of the deadlines for budget approval in accordance with

statutory deadlines and the deadlines set forth in the First Amended and Restated District Construction and Service Agreement dated March 3, 2003 between the District and District No. 1 (“the Service Agreement”), and to discuss scheduling an in-person budget workshop. Upon motion of Director Viau and second of Director Fiore, the Board voted to unanimously approve the Agenda as amended.

Public Comment for Matters not on the Agenda:

Ms. Hepfer commented that the public was given little notice for the meeting and requested that the Board ensure more timely notice in the future. Director McGlamery noted that he is in agreement with the comment, however the amount of notice provided is consistent with what has been provided in the past by District No. 1.

Director Rossier noted that the email communications that request that Directors not reply to all is cumbersome and asked for the reason. Mr. Beckman reported that he had previously received a request from Director Viau to not use the request when scheduling Board meetings. Mr. Beckman explained that the purpose of the language is to prevent discussion about District business in an email forum, which could constitute a public meeting which was not duly noticed as required by the Colorado Open Meetings Law. He noted that as long as the communication is limited to scheduling a meeting or requesting agenda items the emails can be replied to by all Board members. Ms. Ivey noted that the discussion of agenda items can lead to related discussion, therefore the request not to reply to all has been included in the past to avoid this type of inadvertent discussion. There was a consensus among Board members to remain mindful to refrain from discussing District business among a quorum of Directors via email. Director Fiore recommended considering a policy at a future meeting whereby agenda items would require consensus among two Directors in order to be added to the Agenda.

Director Rossier had further questions about the dates for meetings. Mr. Beckman discussed with the Board future meeting dates.

Administrative Matters:

Election of Officers:

The Board discussed prior election of officers at the meeting on September 7, 2021. Mr. Beckman requested that since there are no minutes yet available from the meeting at which prior elections were made, that they be elected for the record at this time. Following discussion, upon motion duly made by Director Fiore and second of Director Viau, the Board voted unanimously to elect the following officers: Nick Viau, President; Kristine Rossier, Treasurer; Eliana Walker, Secretary; Brandon McGlamery, Assistant Secretary. It was noted that Director Fiore will not fill an officer’s position.

**Budget Approval
Deadlines:**

Director Fiore reviewed and discussed the budget calendar containing statutory and Service Agreement deadlines which previously distributed to the Board. Ms. Ivey clarified that October 15, 2021 statutory deadline is for the District to have received a copy of the draft budget and noted that this deadline has been satisfied. However, the District is required by the Service Agreement to provide any requested changes to the draft budget to District No. 1 by October 15, 2021. She then noted that the next statutory deadline would be December 15, 2021 to certify the District's mill levy and explained that the last day to adopt the budget is December 30, 2021.

Service Agreement:

The Board then discussed setting a special meeting to continue review of the budget. Following discussion, the Board determined to meet at 5:30 p.m. on Thursday, October 14, 2021 in a hybrid format. Director Fiore stated that he would confirm the in-person location.

Director Fiore asked if the Board had received a copy of the Service Agreement and noted that the Service Agreement should be discussed by the Board at the next meeting. He noted that the Service Agreement was adopted in 2003 before there were many residents on the Board and requested that Mr. Beckman email the Directors the minutes reflecting the adoption of the Service Agreement. He noted that now that the Board is resident controlled, in his opinion, its first priority should be to work together to find a way to operate in the spirit of the Service Agreement.

Consent Agenda:

**Minutes from August 19,
2021:**

Following review, upon motion duly made by Director Viau and second by Director McGlamery, the Board unanimously voted to approve the minutes of August 19, 2021. It was noted that four of the five sitting Board members were not seated as of August 19, 2021 but were in attendance at the meeting.

**Letter to delinquent
account holders:**

Mr. Beckman explained that accounts that are delinquent in excess of \$150 and more than six months past due are eligible to be certified to Eagle County for collection in conjunction with the property taxes paid by each delinquent account holder. Ms. Ivey explained that this letter provides notice to those individuals regarding the public meeting at which the Boards will consider certification of accounts. Upon motion duly made by Director Fiore and second by Director Viau, the Board voted to unanimously approve the form of the letter to delinquent account holders and approved sending letters to delinquent account holders.

Financial Matters:

2022 Draft Budgets:

Ms. Sedgeley reviewed the draft budgets with the Board.

Director Fiore noted that the combined debt budgeted to be refinanced is approximately \$17,794,000 and noted that this amount is approximately 68 percent of the total debt authorized by the Service Plan of \$26,000,000. He then stated that the Board is interested in negotiating down the compounded interest currently outstanding. Ms. Sedgeley noted that the amounts listed as currently outstandings were taken from a refinancing proposal provided by DA Davidson earlier this year. Director Fiore requested that detail and assumptions for paying off the debt. Discussion ensued regarding the bond holder(s) for the senior and subordinate debt. The Board requested that Ms. Sedgeley provide the name of the senior bond holder(s).

Director Fiore asked which bank accounts revenues are deposited into and who the signatories are on the accounts. Ms. Sedgeley advised the Board that the account is with Colorado Surplus Asset Fund Trust ("CSAFE") a governmental investment pool. She informed the Board that the account is relatively new and CliftonLarsenAllen, LLP has the authority to transfer funds, however no checks can be written from the account. The Board requested information on the prior account, which Ms. Sedgeley reported was a Citywide money market account. The Board requested statements for the past twelve months and a copy of the signature card for the account.

Ms. Sedgeley then continued reviewing the draft budgets with the Board. Discussion ensued regarding the Fee Resolution setting the water rates. The Board requested that staff circulate a copy of the Fee Resolution.

The Board discussed fees for the RV Lot. Ms. Sedgeley explained that the Lot Manager collects the fees and withholds the revenue as payment for services, however the revenue and expenditures are shown on the financial statements for sake of transparency.

Discussion of election expenses ensued. Ms. Ivey explained that all five seats will be up for election in May 2022. She explained that the expenses associated with the election will be driven by the legal, administrative, printing and postage costs associated with the conduct of an election. It was noted that a proposal by Community Resources Services, the same company contracted for the Recall Election, will be sought for the May 2022 election.

Following review of the budget, Director Fiore recommended the Board consider engaging outside management consultants and legal counsel to assist the board in understanding the relationship between the District and District No. 1. Ms. Ivey noted that she cannot represent both Districts in disputes between the two. Mr. Beckman and Ms. Ivey were in agreement that it would be appropriate for the

District to seek management and legal services from others if the interests of the two Boards are in conflict.

Discussion ensued regarding the voted authorizations for debt limits and who authorized such elections. Ms. Ivey noted that the original electoral authorizations would have been set at the organizational election for the Districts, however if there are minutes available from subsequent elections where debt authorizations were considered would provide those to the Board.

Signatories for District Accounts:

The Board discussed adding the President, Treasurer, and Secretary as signers on the District's Bank Accounts. Upon a motion made by Director Fiore and second by Director McGlamery, the Board unanimously voted to add the officers as signers on the District's accounts.

Transfer of funds:

The Board then discussed the logistics of transferring funds from the tax revenue account for debt services payments. Ms. Ivey noted that timely payment of the debt will be required by the Indenture of Trust. It was noted that approximately one week's notice should be provided to the Treasurer prior to the date of the necessary transfer of funds.

Upon a motion made by Director Fiore and second of Director McGlamery, the Board unanimously voted to require that all transfers of funds must have the prior authorization of the Treasurer or a Board Officer in the Treasurer's absence.

Operations Matters:

Irrigation system winterization:

Mr. Beckman reviewed the draft notice with the Board and explained that the notice will be sent to the District's Residents via eBlast.

Legal Matters:

Service Agreement:

It was noted that discussion of the Service Agreement between the District and District No. 1 would be continued during the next meeting on October 14, 2021.

Other Business:

Budget workshop:

As previously discussed in Administrative Matters under Budget Approval Deadlines, the Board determined to schedule an in-person and virtual hybrid workshop regarding the budget on Thursday, October 14, 2021. The Board will communicate with Mr. Beckman regarding the in-person location.

Mr. Beckman reported that he received a request to post a political advertisement on District Property. Discussion ensued regarding the

Posting on District property:

ownership of properties within the Districts. Ms. Ivey briefly reviewed First Amendment free speech concerns that arise when governmental entities attempt to regulate signage based on its contents or viewpoint.

Following discussion, upon motion duly made by Director Viau and second by Director Walker, the Board voted unanimously to adopt and recommend a policy of no signage on District property to District No. 1 and determined to continue to research the matter.

The Board requested that Mr. Beckman direct field staff to remove any signs on District property.

Adjournment:

Following discussion and upon motion duly made by Director Fiore and second of Director Viau, the Board voted unanimously to adjourn at 7:31 p.m.

DocuSigned by:
Nikolas Viau
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Secretary