

## RECORD OF PROCEEDINGS

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

Held: Wednesday, March 31, 2021 at 4:30 P.M., at  
<https://us02web.zoom.us/j/86373322103?pwd=S1dqZVNodHJGSjZlZk9XSgh6Qk1xQT09>

Meeting ID: 863 7332 2103, Passcode: 179855, Or

Dial-In Number: 1 + (669) 900-9128

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#### **Attendance:**

The consolidated special meeting of the Boards of Directors of Buckhorn Valley Metropolitan Districts 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 Directors were present:

John Hill, President (*via video/telephone conference*)

Scott Green, Assistant Secretary (*via video/telephone conference*)  
(District No. 1 Director only)

Anna Maria Ray, Assistant Secretary (*via video/telephone conference*)

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

Erin Gallimore (*via video/telephone conference*) (District No. 2  
Director only)

Nick Viau (*via video/telephone conference*) (District No. 2 Director  
only)

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 Sedgely, District Accountant, CliftonLarsonAllen, LLP (*via video/telephone conference*) and the following members of the public: David Fiore, Nick Richards, Julie Pranger, Christiane Hepfer, Maxine Hepfer, and Ami Fountain (*all via video/telephone conference*).

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

Director Hill called the consolidated special meeting of the Boards of Directors of the Buckhorn Valley Metropolitan Districts Nos. 1 & 2 to order at 4:30 P.M., at which time it was noted that the notice of this meeting was properly posted within the Districts. Director Hill noted that a quorum of each of the Boards were present, and he turned the meeting over to Mr. Beckman and Ms. Ivey.

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.

**Disclosure Matters:**

The Boards of 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.

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

Following discussion and upon motion of Director Ray and second of Director Hill, the Boards 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.

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

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

**Consent Agenda:**

Following review, upon motion duly made by Director Garton, seconded by Director Ray, and upon vote unanimously carried, the Boards approved the minutes of the February 25, 2021 consolidated special meetings of District No. 1 and District No. 2.

**Financial Matters:**

Payment of Claims: Ms. Sedgeley reviewed the check register with the Boards for the period ending March 31, 2021 in the amount of \$171,355.77.

Ms. Sedgeley reported that as of December 31, 2021 there were approximately \$14,000 in legal expenses incurred in connection with the recall election. Attorney Ivey reported that the total legal expense for the recall election through the end of February 2021 was \$21,562.50.

Director Gallimore requested that the Boards of District Nos. 1 and 2 have the opportunity to review the invoices included in the check register prior to ratification of the payables. Following discussion, the District No.1 Board determined to defer the approval of claims until the invoices have been reviewed by the Directors of District Nos. 1 and 2.

**Citizens Advisory Committee:**

Mr. Beckman reported that the Citizens Advisory Committee (“the Committee”) met on March 21, 2021 at 5:30 p.m. Mr. Beckman reported that the Committee reviewed the District’s budget and a cash projection prepared by the District’s Accountant and discussed several items as follows:

*Operations Manager and Seasonal Assistant:* The Committee is in support of hiring Mr. Slaughter as the District’s Operations Manager and of hiring a parttime seasonal assistant. The estimated cost of the two employees is \$105,000 per year. The Committee is in support of the District providing healthcare benefits and paid time off which would increase the cost of payroll. Director Gallimore asked about posting for the position and the historic average number of hours worked per month by Mr. Slaughter. Director Hill explained that in the summer months the Operations Manager may work well over 40 hours per week. He explained that there is sufficient work for the Operations Manager over the winter months, however much of it is clerical in nature to address the reporting associated with maintaining water rights and other matters. Ms. Ivey explained that employment law is a separate practice outside of her area of practice. She reported that according to the Colorado Open Meetings Law the position of Chief Executive Officer, which is basically the District Manager, would require posting prior to hiring for the position.

*Buckhorn Pond:* The Committee discussed the need to proceed with repairs to the liner in Buckhorn Pond. The current estimate for the repairs is \$60,000, however a more accurate estimate is expected once proposals are received.

Director Gallimore asked if a job description has been developed. Mr. Beckman reported that a job description has not yet been developed, as the first management priority is to secure authorization to hire the necessary labor to operate the system, with completion of the necessary documentation for the position to follow.

Mr. Fiore noted that all Committee members agree that Mr. Slaughter does a good job and should be hired as the Operations Manager. He noted that he believes the job description is an opportunity to define the job.

*Fill Dirt Stockpile:* Two of the Committee members, Mark Hoblitzell and Julie Pranger, have experience in erosion control measures and discussed the status of a large stockpile on District property. The Committee requested that the Board take whatever measures necessary to immediately stabilize the stockpile and take the necessary actions to ensure that the stockpiles comply with the requirements of the Town of Gypsum and any other authority having jurisdiction over erosion control requirements in the District.

Mr. Fiore then noted that Committee members Julie Pranger and Mark Hoblitzell are willing to participate in discussions with Mr. Beckman and the Town regarding the stockpiles of dirt. Mr. Fiore then reported that the Committee discussed reviewing the request for proposal for the pond work and is willing to assist.

*District Office:* Mr. Beckman reported that the property rental for the space that has been used as the District's office and operations center was discussed by the Committee. Based on those discussions, Mr. Beckman offered \$2,500 per month for use of the property. Ms. Hepfer's counteroffer is \$3,500 per month.

*Other:* Mr. Beckman then informed the Board that the Committee tabled discussion of items such as the election of officers and researching and recommending a reserve study. Ms. Pranger reported that the Committee also discussed the need for a Capital Improvement Plan and noted that this would likely influence the allocation of employee responsibilities across all job tasks. Mr. Beckman advised the Board that the next Committee meeting is scheduled for April 29<sup>th</sup> at 5:30 p.m. and an eBlast will be sent to the community in advance of the meeting.

**Operations Matters:**

Termination of  
Contract with

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

Colorado Land Management, LLC: Boards terminated the contract with Colorado Land Management, LLC effective April 15, 2021.

Hiring of Operations Manager and Seasonal Assistant: Discussion ensued regarding the development of a job description, salary and benefits for the proposed employees. Mr. Beckman recommended that the Board take action to secure the needed employees and provide direction to him to address the benefits and job description in the coming weeks.

Following discussion upon motion duly made by Director Green for District No. 1, seconded by Director Hill and upon vote unanimously carried the Board authorized the District Manager to hire Kenny Slaughter as a salaried employee in the amount of \$75,000 per year as the District's Operations Manager, and one seasonal assistant, to be hired at the rate of \$30 per hour effective April 15, 2021. The Board of District No. 1 further authorized Mr. Beckman to engage ADP for payroll processing through CliftonLarsonAllen LLP and take other actions necessary to develop job descriptions and recommendations for benefits.

Rental Agreement for 11 Bridger Drive: Mr. Beckman discussed the negotiations to this point and reported that the property owner will require \$3,500 per month with a minimum of a one year rental in order for the District to continue using the property as an office and operations headquarters. The monthly fee would include housekeeping and landscaping maintenance. Mr. Fiore reported that the Committee discussed the fact that the control center for the District's raw water irrigation system is located within the property. The Committee recommends that the Board consider moving its office at some point to an area devoted to only District uses. He then noted that the current location is shared with others and is also the center for development.

Ms. Hepfer explained that the majority use of the property would be allocated to the District and the property would be shared with the developer. Director Gallimore expressed concerns regarding the fair allocation of costs among the tenant users of the property and the cost of the monthly rent charged to the District. Director Green advised the Board that in the past, prior to COVID-19 regulations, Board meetings and project coordination meetings for the District were held at the property. Ms. Gallimore discussed other options for public meeting spaces. Director Hill reported that the radio control equipment for the control valves for the water system are located within the property. He then explained that the idea of building a separate facility for the District's office is a good idea however it has proven to be cost prohibitive in the past and because of the topography on certain areas can be used for the radio control equipment.

Ms. Pranger noted that she is aware of similar properties that rent for \$3,200 per month with full un-shared use. She recommended that the Board confirm with the Town that the current use is an authorized use by the Town. She recommended that the Board obtain a letter from the Town confirming the use status of the property prior to signing the lease.

Mr. Beckman explained that given the necessity to continue operations the current lease offer is the District's best option at this time and recommended that the Board approve entering into a rental/lease agreement in order to continue using the property. Director Green agreed that this is the best option at this time. Director Viau agreed with the comments made by Director Green and noted that he would prefer for the District to own a facility for this specific purpose however that is not an option at this time. Mr. Beckman asked Director Gallimore if she would care to weigh in on the matter. Director Gallimore expressed disappointment for not having sufficient time to review materials and options prior to the Board meeting. She noted that she would like to have more options for special meetings or study sessions.

Following motion duly made by Director Green, seconded by Director Garton, and upon vote unanimously carried, the District No. 1 Board authorized entering into and authorized Mr. Beckman to execute the lease agreement for the property at 11 Bridger Drive in an amount not to exceed \$3,500 per month and for a term not longer than one year subject to negotiation by Mr. Beckman and subject to final review by legal counsel.

Repairs to Buckhorn Pond:

Discussion ensued regarding the process for bidding the work for the repairs to the pond liner. Mr. Fiore noted that the Committee discussed recommending policies governing authorized expenditures by management.

Following motion duly made by Director Green, seconded by Director Hill, and upon vote unanimously carried, the Board of District No. 1 authorized Mr. Beckman to work with Mr. Slaughter, Director Hill and any other parties necessary to prepare a scope of work and put out to bid the pond repairs and to authorize Mr. Beckman to engage a contractor following the review of the bids received and upon concurrence of Director Green, for a total repair amount not to exceed \$40,000. In the event the repairs exceed \$40,000, Mr. Beckman will schedule a Board meeting to award a contract.

**Legal Matters:**

2021 Recall Election Resolution:

Ms. Ivey reviewed the resolution and related materials included in the meeting packet with the Board. She noted that because Director Green

resigned prior to the filing of the petition for his seat, the associated petition was not reviewed by legal counsel, thereby saving the associated cost. She then reported that the District No. 2 Board will now need to call the election according to statute. She then discussed the statutory election calendar and requested that the Board set the recall election for June 29, 2021. She further requested that the Board consider engaging Community Resource Services of Colorado (“CRS”) as the Deputy Designated Election Official to perform the administrative services associated with the conduct of the election and explained that the election resolution sets the election as an independent mail ballot election consistent with most elections, but that the Board does have the option to hold a polling place election.

Director Gallimore asked about using the County’s office as a drop-off location. Ms. Ivey noted that she would need to check with the County but since they are not conducting the election and there is no simultaneous County election that this is not a likely alternative. Director Viau noted that the proposal by CRS may be overestimating the number of eligible electors. Ms. Ivey reported that the actual costs will be based on the actual numbers and that the proposal is intentionally conservative. She then explained that she reached out to four separate firms for quotes and CRS was the only firm that had the resources available and was interested in bidding.

Director Viau asked the sitting Board members being recalled if they would consider resigning in order to avoid the cost of the recall election. He noted that there was overwhelming support in the community as petitions were circulated.

Director Green noted that he thought there were productive discussions over the past few weeks with the Recall Committees. He explained that it was his hope that the Recall Committees would cancel the election with the recent establishment of the Citizens Advisory Committee and the recent appointment of Directors Viau and Gallimore to the District No. 2 Board. He then noted that he believes that much of the information disseminated by those collecting signatures was not factual. He explained that Directors will continue to drop off of the Board due to term limits or through resignation in the near future in the absence of a recall.

Mr. Fiore noted that he applauds Director Viau for asking the question regarding resignation in lieu of recall. Mr. Fiore explained that the two Districts were originally intended to operate together in a system of checks and balances. He stated that by stepping down the Directors that are the subject of the recall can reestablish the system of checks and balances.

Director Hill explained that he will not resign and will take advantage of the opportunity to campaign and address the misinformation that has been spread about the Board and about him personally. He then stated that he will truthfully report on what is happening with the recall efforts and certain members of the Recall Committee who wish to stop development entirely. He then stated that Mr. Fiore is attempting to set in motion events that will reduce the value of the undeveloped land in order to purchase it at a discounted price.

Mr. Fiore noted that he is not a Recall Committee member and stated that he wants to see the value of the property in the District protected. He then noted that Ms. Hepfer has leased 11 Bridger Drive to the District over the past ten years for a cumulative amount of over \$600,000 and reported that Director Hill has a criminal record, and that Director Hill taking him on personally could result in a libel suit.

Following motion duly made by Director Hill for District No.2, seconded by Director Gallimore, and upon vote unanimously carried, the Board of District No. 2 adopted the resolution as presented and approved engaging CRS as the Deputy Designated Election Official.

**Other Business:**

Ms. Ivey read a comment from Maxine Hepfer from the Zoom chat feature in which she expressed concern for the loss of Board member experience that could occur with a recall election.

Ms. Pranger then addressed the Board explaining that she checked the permitted uses of the property located at 11 Bridger Drive and it appears to be zoned for residential use.

Mr. Richards asked if there are any provisos on file with the Town regarding the property. Ms. Ivey noted that she is not aware whether there is anything on file since the District has not leased the property in the past.

Ms. Fountain explained that she was never made aware of what the District is until the recall election. She explained that the communication to the community has been nonexistent. She explained that she would like to see more transparency from the District.

**Adjournment:**

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

DocuSigned by:  
  
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Secretary for District No. 1

Secretary for District No. 2