

RECORD OF PROCEEDINGS

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

Held: Monday, June 29, 2020 at 7:30 A.M., via telephone conference at Dial-in: 701-801-1211 and Access Code: 653-752-003.

Attendance:

The continued special 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 Hill (*via telephone conference line*)
Scott Green (*via telephone conference line*)
David Garton, Jr. (*via telephone conference line*)
Samantha Gale (*via telephone conference line*)

The following Directors was absent:

Anna Maria Ray

Also present were: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C. (*via telephone conference line*) and Debra Sedgeley, CliftonLarsonAllen, LLP (*via telephone conference line*); the following members of the public: Raffal, David Fiore, Nick Viau, Mel Valdez, Gale Baker, Jill Baren, Sue Throclemorton,, Jeff Meek, Amie Meek, Rachel Shirley, Carrie Calvin, Derrick Sutton, Jessica Martinez, Erin Gallimore, Greg Muse, Charlotte Monk, Beverly Fiore, Ashley Wilson and Casey Wilson.

Call to Order/ Declaration of
Quorum:

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

Disclosure Matters:

The Board 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.

Director John Hill disclosed that he is a party to a contract to

purchase taxable property located within the boundaries of the Districts and a beneficiary of a potential profits interest from entities which own taxable property located within the boundaries of the Districts. He also disclosed that he may perform consulting services for Colorado Land Management, LLC, a role in which he carries out the execution of management and project development duties performed for the Districts by Colorado Land Management, LLC in its management contract with the Districts. He is employed on an at-will verbal consulting agreement, compensation for which varies from time to time and may be greater than \$100,000, and, in part, is derived from compensation for management services by and between Colorado Land Management, LLC and the Districts. In the performance of his duties, Director Hill may, from time to time, perform consulting services for parties which are investigating possible purchases, are purchasing or have purchased lands within the Districts. Such work is generally, but not always, performed on an at-will consulting basis, with compensation on a lump-sum, fixed fee or hourly basis, or may be based on a combination of these or some other basis as of yet undetermined. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Scott Green disclosed that he is a party to a contract to purchase taxable property located within the boundaries of the Districts. He further disclosed that he is the owner of Scott Green Excavating, Inc., a contractor which currently has contract(s) with the Districts to construct a roadway and ancillary improvements. These improvements are being paid for, in part, by the Districts, with funds from District No. 2's 2010 bond issue. Director Green also disclosed that the compensation to be paid in accordance with the contract(s) is in excess of \$600,000, and that he does not expect his position of Director to enhance his position or the position of Scott Green Excavating, Inc. either competitively or financially. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Samantha Gale disclosed that she owns property within the Districts. She also disclosed that she is related to Dave Garton, to whom the District is indebted to. This disclosure is associated with approval of items on the agenda that may affect her interests.

Director David Garton, Jr. disclosed that he he is a party to a contract to purchase taxable property located within the

boundaries of the Districts. He further disclosed that he is a member of the Board of Directors of the Buckhorn Valley Master Owners Association and is a member of the Board of Directors of the Single-Family Residences at Buckhorn Valley, Inc. This disclosure is associated with the approval of items on the agenda that may affect his interests.

Ms. Ivey advised that written disclosures of these interests were previously filed with the Secretary of State at least seventy-two hours prior to June 22, 2020 special meeting.

Financial Matters – Public
Hearing on Proposed 2019
Budget Amendment/Consider
Approval of Amended 2019
Budget:

Ms. Sedgeley reviewed and discussed with the Board the proposed 2019 budget amendment. Upon motion of Director Green and second of Director Gale, the Board voted unanimously to re-open the continued public hearing on the proposed 2019 budget amendment. Ms. Gallimore thanked the Board for their time, answering questions from the public and asked the Board not to take action today so that more time could be taken to answer questions from the public. Ms. Gallimore requested that the meeting be rescheduled to allow more time for review of the proposed amendment and suggested that a work session be held the week of July 6th with the District's auditor and accountant, a special town hall meeting be held the week of July 13th for future discussions about District issues, and that the public hearing on the 2019 budget amendment be delayed to the week of July 27th. Ms. Wilson thanked Ms. Gallimore for her work to bring the community together and requested that more information be provided regarding what additional repairs and maintenance were needed and asked for better notice of meetings. Mr. Wilson thanked the Board for the time this morning and stated that he has had problems getting responses from the bvmetroboard@gmail.com email address and inquired why the Board president is also the manager. Ms. Shirley inquired if CCIOA applies to metropolitan districts. Ms. Ivey explained that CCIOA does not apply to metropolitan districts and that the Special District Association's website and the Division of Local Government's website are excellent resources for the rules that apply to special districts. Ms. Meek stated that she also has had significant problems receiving responses from bvmetroboard@gmail.com. Mr. Fiore thanked the Board for delaying the meeting last week, provided his background and experience with special districts, and stated that Mr. Hill has a conflict with this 2019 budget because his management company outspent the Board authorized expenditures and suggested that Ms. Gallimore's schedule be followed. Mr. Viau agreed with the sentiments of other members of the public and stated that

additional information about the Board, its expenditures, and the contracts that the Board is entering into. Director Hill stated that he will address the concerns about lack of responses from the bvmetroboard@gmail.com email address, that all Board actions and budgets are supervised by an independent accountant and auditor, that bids have been solicited for projects. Director Hill made a motion that the approval of the budget amendment be delayed to a special meeting to be held at 7:30 a.m. on Friday, July 24, 2020 to allow for further discussions and dissemination of information. Director Green seconded the motion and the Board voted unanimously to approve the motion. Upon motion of Director Green and second of Director Gale, the Board voted unanimously to close the public hearing on the 2019 budget amendment. Ms. Sedgeley stated that she would put the auditor in touch with Ms. Gallimore to schedule a session to answer questions from residents. Mr. Fiore asked if the Board would set up the requested study session. Director Hill stated that his suggestion was to set up an informal session with 2 board members to discuss district matters. Mr. Fiore agreed that this was a good idea and requested that Directors Hill and Garton, Jr. attend that meeting.

Adjournment:

Upon motion of Director Gale and second of Director Green, the Board voted unanimously to adjourn the meeting.

DocuSigned by:



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Secretary for the District