

# 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: Friday, July 24, 2020 at 7:30 A.M., at <https://us02web.zoom.us/j/84898657952?pwd=MnlXd0VVbFU2c0lwMURkbUFBWkN6UT09> Meeting ID: 848 9865 7952 Password: 043002 or Dial-In Number: +1 346 248 7799 US.

### 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 due to the state of emergency declared by Governor Polis, as amended and extended; the Eighth Amended Public Health Order 20-28; the safer at home and in the vast, great outdoors Executive Order D 2020 091, as amended and extended; and CDC recommendations against gathering in large groups in order to mitigate the spread of the COVID-19 Virus as follows:

<https://us02web.zoom.us/j/84898657952?pwd=MnlXd0VVbFU2c0lwMURkbUFBWkN6UT09> Meeting ID: 848 9865 7952 Password: 043002 or Dial-In Number: +1 346 248 7799 US.

The following Directors were present:

John Hill, President (*via video/telephone conference*)  
Samantha Gale, Secretary/Treasurer (*via video/telephone conference*)  
Anna Maria Ray, Assistant Secretary (*via video/telephone conference*)  
David Garton, Assistant Secretary (*via video/telephone conference*)

The following Director was absent:

Scott Green, Assistant Secretary

Also present were: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C. (*via video/telephone conference*); Debra Sedgeley, CliftonLarsonAllen, LLP (*via video/telephone conference*) and the following members of the public: Kendra Powell, John Powell, David Fiore, Sue Throclemorton, Erin Gallimore, Ashley Wilson, and Casey Wilson (*all via video/telephone conference*).

Call to Order/ Declaration of Quorum:

Director Hill called to order the consolidated special meeting of the Boards of Directors of the Buckhorn Valley Metropolitan Districts Nos. 1 & 2 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.

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.

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 Samantha Gale disclosed that she owns property within the Districts and is a party to a contract to purchase taxable property located within the boundaries of 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 disclosed that is a party to a contract to purchase taxable property located within the boundaries of the Districts. He also disclosed that he is a member of the board of directors of the Buckhorn Valley Master Owners Association and a member of the board of directors of the Single Family Residences at Buckhorn Valley, Inc. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Anna Maria Ray reported that she had no conflicts of interest requiring disclosure.

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

Approval of/Additions  
to/Deletions from the  
Agenda:

After review and discussion and upon motion of Director Hill and second of Director Ray the Boards of Directors voted unanimously to approve the agenda with the addition of Items 8.B. – Consider Approval of Extension to 2019 Audit Filing Deadline and 8.C. – Consider Approval of Transfer of Funds Under Master IGA.

Public Comment for Matters  
Not on the Agenda:

Mr. Fiore thanked the Boards and Mr. Hill for the time that had been taken to meet with and discuss matters of interest to the members of the public. Mr. Fiore requested that the letter dated July 22, 2020 from Mr. Fiore and Mss. Gallimore and Wilson be entered into the public record. Mr. Fiore further requested that vote on the proposed budget amendment be delayed until further information can be received by members of the public and the issues related to directors' conflicts of interest can be addressed.

Mr. Powell stated that the Districts should be more of a leader for the Buckhorn Valley community and the HOA's as development continues and that the Districts need to ensure they are providing for the continued development and improvements that will be required attendant thereto.

Ms. Wilson stated that she believes the Districts need to continue to work towards being more transparent, more of a leader for the

community, and need to be in constant communication with the community.

Ms. Gallimore thanked the Districts for their cooperation and urged the Boards not to hastily push the vote on the proposed 2019 Budget Amendment. Mr. Gallimore also noted the conflicts of interest that she perceives for Directors Hill, Ray and Garton, Jr. Ms. Gallimore requested that vacancies be created to allow appointment of homeowners to the Boards.

Mr. Wilson used expletives to refer to his feelings about the Boards members having conflicts of interest.

Ms. Throcmorton urged the Board to delay consideration of the vote on the proposed 2019 Budget Amendment until it can be fully vetted.

Legal Matters:

Consider Approval of Intergovernmental Agreement with Statewide Internet Portal Authority (website):

Ms. Ivey reviewed with the Boards the Intergovernmental Agreement with Statewide Internet Portal Authority (website) and stated that this website will allow the Districts a legally compliant means to post meeting notices on the website and will serve as a devoted website for the Districts and information about the Districts. After review and discussion and upon motion of Director Gale and second of Director Ray, the Boards unanimously approved entering into the Intergovernmental Agreement with Statewide Internet Portal Authority (website) and directed its consultants to proceed with creation of a website.

Consider Changes to/ Engagement of District Management:

Mss. Ivey and Sedgeley and Mr. Hill reviewed with the Boards the process for creating and distributing a Request for Proposals for management services to four qualified special district management firms and reviewed the two proposals that were received. Mr. Hill stated that his recommendation after reviewing the proposals, speaking with the proposers, and taking into consideration the recommendation that CliftonLarsonAllen LLP is not engaged as both accountant and manager, was to engage Public Alliance, LLC effective August 1, 2020. After discussion and review Director Gale made a motion to engage Public Alliance, LLC effective August 1, 2020 to provide District Management Services and directed Ms. Ivey to prepare a contract for this engagement. The motion was seconded by Director Garton, Jr. Mr. Fiore stated he does not know Mr. Beckman or Public Alliance, LLC and that he thinks this matter should be tabled to allow community involvement in the RFP process and allow more proposals to be collected. Mr. Fiore further stated that

he had request and not received yet a copy of the RFP or the proposals. Mss. Wilson and Gallimore and Mr. Wilson voiced their support for tabling action on this item and allowing for more community involvement. After further discussion and review the Boards voted 3-0-1 with Director Garton, Jr. abstaining to approve the motion. Mr. Fiore urged the Boards to reconsider this action stating that he is certain there are other firms that would be willing to propose. Director Gale made a motion to reconsider the previous motion (effectively to rescind the Boards action), to allow more time for community involvement in the process, and to solicit more proposals. The motion was seconded by Director Garton, Jr. Director Garton, Jr. asked Mss. Ivey and Sedgeley if they were aware of other firms that specialized in special district management, were qualified to perform the services, and that were not provided the RFP. Mss. Ivey and Sedgeley stated that to their knowledge the firms that were best suited to provide the services needed all received the RFP. Director Hill stated that Colorado Land Management, LLC will not be providing the administrative management services after August 1, 2020 so the Districts would be left without a manager if they do not engage a new firm. Director Garton, Jr. stated that it would be irresponsible for the Districts not to have a manager and that based on the RFP that was sent out he believes this management firm is well suited to perform the services and that giving more time would not yield better results. Directors Gale and Ray also stated that they believed it would be irresponsible not to have a manager and that they believe engaging Public Alliance, LLC is in the best interest of the Districts and the community. Mr. Fiore stated that he believes it is unprofessional of Colorado Land Management, LLC to stop providing services and effectively force the Districts to move forward at this time. Director Ray stated that if Public Alliance, LLC does not effectively and satisfactorily provide the services they can be terminated, and a new management firm engaged. After further discussion and review, the Boards of Directors unanimously vote against the motion to reconsider.

Manager's Report:

None.

Financial Matters:

2019 Budget Amendment  
(District No. 1):

Ms. Sedgeley stated that a revision to the 2019 Budget Amendment was recommended to recharacterize legal fees related to the proposed refinancing of the District's bonds from an operating expense to a capital expense to be consistent with the treatment of other similar expenses; this is a net zero change in the budget. Upon motion by Director Hill, second by Director Garton, Jr. and unanimous vote the Board of Directors tabled this item for

further consideration at the next meeting of the Board. Mr. Fiore thanked the Board for taking the correct action.

Consider Approval of Extension to 2019 Audit Filing Deadline:

Ms. Sedgeley stated that without the proposed 2019 Budget Amendment being approved the Districts would need to file for an extension to the audit filing deadline. After review and discussion, upon motion of Director Hill and second of Director Garton, Jr., the Boards voted unanimously approved filing for an extension to the audit filing deadline.

Consider Approval of Transfer of Funds Under Master IGA:

Ms. Ivey stated that she believed this item should be tabled for consideration until a written request can be distributed to the Board for review. After review and discussion, upon motion of Director Hill and second of Director Garton, Jr., the Boards voted unanimously approved tabling this item for further consideration at the next meeting of the Boards.

Other Business:

Consider Approval of Resolution Designating Official Custodian for Colorado Open Records Act/Adoption of Official Custodian of Rules:

Ms. Ivey presented to the Boards the Resolution Designating an Official Custodian for Colorado Open Records Act and Adoption of Official Custodian of Rules. Director Garton, Jr. made a motion to table the consideration of this item to the next meeting. The motion was seconded by Director Gale. Mr. Fiore stated that tabling this matter is the right thing to do and if the Boards do adopt these policies that implementation of any fees should be delayed to allow further requests from the public. Ms. Ivey explained that recent “spam” open records requested from large firms resulted in a review of the District’s records and bringing this to the Boards to consider. After further discussion the Boards unanimously tabled the Resolution Designating Official Custodian for Colorado Open Records Act and Adoption of Official Custodian of Rules.

*Mr. Hill departed the meeting during the preceding agenda item.*

Adjournment:

There being no further business to come before the Boards of Directors, upon motion of Director Garton Jr. and second of Director Gale, the Boards voted unanimously to adjourn the meeting.



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Secretary for the Districts