

RECORD OF PROCEEDINGS

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

Held: Wednesday, November 10, 2021, at 6:00 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*)
Kristine Rossier, Treasurer (*via video/telephone conference*)
Brandon McGlamery, Assistant Secretary (*via video/telephone conference*)
David Fiore (*via video/telephone conference*)

The following Director was absent (*absence excused*):

Eliana Walker, Secretary

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 (“CLA”) (*via video/telephone conference*); Paul Rufien, Esq., Rufien Law, P.C. (*via video/telephone conference*); Charles Wolfersberger, Wolfersberger, LLC (*via video/telephone conference*); Nick Richards, Buckhorn Valley Metropolitan District No. 1 (*via video/telephone conference*); and the following members of the public: Christiane Hepfer, Angela Heuman, Jeff Roberts, Sue Throckmorton, Daniel Siebert, Derek Place 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 Director Viau called the meeting to order at 6:01 p.m., at which time it was noted that the notice of this meeting was properly posted within the District.

Upon motion of Director Viau and second of Director Fiore, the Board voted unanimously to excuse the absence of Director Walker.

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:

Upon motion of Director Viau and second of Director McGlamery, the Board voted unanimously to approve the Agenda as amended to add a discussion of the signage policy at the entrance and keys to the District office space at 11 Bridger Drive.

Public Comment for Matters not on the Agenda:

It was noted that Mr. Richards wanted to address the Board; however, due to technical difficulties, he was unable to do so. There was no further comment from members of the public.

Operations Matters -

Engagement of Wolfersberger, LLC, as District Manager and Accountant:

Mr. Fiore reviewed with the Board the engagement letter of Wolfersberger, LLC noting that the agreement has a base management fee of \$40,000 and that it is anticipated to be a significant savings of potentially over \$107,300 annually when management and accounting services are combined. He further noted that in the first year the number of meetings may be more than the eight meetings contemplated in the proposal. Ms. Ivey noted that she was unable to find reference to the base fee in the contract and advised the Board that the legal protections in the contract are drafted in favor of the consultant. She recommended that the agreement be reviewed by incoming general counsel.

Following discussion, upon motion duly made by Director Fiore, seconded by Director Viau, and upon vote unanimously carried, the Board approved the engagement of Wolfersberger, LLC as District Manager and Accountant subject to negotiation of the final term of the agreement by Director Viau and Director Fiore in consultation with incoming general counsel, authorization for Director Viau to execute the contract as revised, and simultaneously terminating the existing limited consulting agreement with Charles Wolfersberger, LLC.

Discuss Transfer of Management and Accounting Responsibility:

Mr. Beckman noted he will do whatever is necessary to transfer files and share knowledge to efficiently effectuate the transfer of management services. He further noted that he will provide a letter to the Board providing formal notice of termination of management services by Public Alliance, LLC. He then explained that he would terminate services earlier than 30 days' notice if that is the preference of the Board. Mr. Wolfersberger reported that he will work with Mr.

Beckman to ensure a successful transfer of management services. Director McGlamery asked Mr. Beckman the date of his formal notice of termination of management services. Mr. Beckman reported that his formal notice of termination date was November 8, 2021.

Ms. Sedgeley discussed financial reporting processes that will need to be taken over by Mr. Wolfersberger. She advised the Board that the mill levy does not fully cover the debt payment and, as a result, continuing disclosures are due within 30 days of the close of each quarter.

Director Fiore requested that files be transferred electronically and that records of the transfer be provided to both Districts. Director Fiore suggested a meeting of new and outgoing consultants. Mr. Beckman noted that he will set up a meeting for the consultants, President and Treasurer to further discuss the transfer process.

Resolution and Intergovernmental Agreement with Colorado Special Districts Property and Liability Pool (“the Pool”):

Following motion duly made by Director Fiore, seconded by Director McGlamery, and upon vote unanimously carried, the Board approved the Resolution and Intergovernmental Agreement and directed Mr. Wolfersberger to process and file the documents with the Pool as soon as possible.

Cancellation of existing coverages for property, liability, and workers’ compensation insurance:

Mr. Beckman reported that the cancellation process with Moody Insurance, the District’s current insurance provider, may be accomplished with the execution of cancellation forms, which may be electronically signed. Any unused premium will be refunded.

Following motion duly made by Director Fiore, seconded by Director Viau, and upon vote unanimously carried, the Board authorized and directed Mr. Wolfersberger to cancel all coverages with Moody Insurance once property, liability and workers’ compensation coverage is bound with the Pool.

2022 Administrative Resolution:

Mr. Wolfersberger reviewed the 2022 administrative resolution with the Board. Following discussion, the Board requested that Mr. Wolfersberger work with the Directors on scheduling the Board meetings for next year and update the resolution for approval at the next Board meeting. Director Viau noted that he would not support the payment of Directors’ fees, as currently noted in the document.

Ms. Ivey noted that November 16, 2021, joint special board meeting has been published as the 2022 Budget Hearing for District Nos. 1 and

2 and included in notices to property owners regarding delinquent accounts. At that meeting the public hearings for the draft 2022 budgets and the certification of delinquent accounts is anticipated. Director Fiore requested that Ms. Ivey also brief Mr. Rufien on the work being performed by special counsel. Mr. Ivey reported that she would update Mr. Rufien on the work being performed by special counsel and gather and transfer files in as timely and orderly a manner as possible. Mr. Rufien indicated that he has a conflict on November 16, 2021 and advised the Board that the meeting could be held in his absence. Ms. Ivey noted that the Board could continue the public hearings, if necessary, and are not required to adopt a budget at the meeting.

2022 Election
Resolution:

Ms. Ivey advised the Board that in reviewing the 2022 Election Resolution she noted the designation of Charles Wolfersberger as the Designated Election Official and reminded the Board that she had previously reached out to Sue Blair, Community Resource Services of Colorado, LLC to fill that role. The Board verified that Charles Wolfersberger would serve as the Designated Election Official. Mr. Wolfersberger reported that he has run elections in the past. He explained that with the new notice requirements there may be resources constraints within his firm. In order to provide an estimate of the potential workload, Ms. Ivey noted that 742 ballots were issued in the recent recall election. Ms. Ivey stated that she would put Ms. Blair and Mr. Wolfersberger in touch regarding the election services.

Ms. Ivey then advised the Board that she would have to excuse herself from the meeting due to time constraints. Mr. Fiore thanked Ms. Ivey for her professionalism. Ms. Ivey thanked Board and excused herself from the meeting at this time.

Mr. Wolfersberger recommended that the Board approve the enclosed 2022 Election Resolution as it primarily identifies the necessary dates and deadlines associated with the election.

Following motion duly made by Director Fiore, seconded by Director McGlamery, and upon vote unanimously carried, the Board approved the 2022 Election Resolution as presented.

Other -

Signage Policy,
Entrance Area:

Director McGlamery reported that the property in the entrance area to the community is owned by Holy Cross and asked if the policy of restricting signage could be enforced in the easement areas. Director McGlamery will work with Mr. Rufien and report back to the Board.

Keys for 11 Bridger Drive:

Director McGlamery asked Mr. Beckman if keys to the property would be provided to the Directors of the District. Mr. Beckman reported that Mr. Hill indicated to him that only the District's employees would be provided a key, not the Directors. Director McGlamery asked if Directors of District No. 1 have keys. Mr. Beckman reported that he is not aware of anybody having a key except the District's employees.

Legal Matters -

Engagement of Legal Counsel:

Director Viau noted that Ms. Ivey had identified a clause that was missing from the contract. Mr. Rufien advised the Board that his engagement letters typically do not include the language in question, which was subsequently emailed to him, however he will add the language.

Following discussion, upon a motion duly made by Director Viau, seconded by Director McGlamery and, upon vote unanimously carried, the Board approved the engagement of Paul Rufien, P.C. as General Counsel and simultaneously terminated the Agreement with Paul Rufien, P.C. as Special Counsel and authorized Director Viau to execute the engagement letter as revised.

Financial Matters -

Checking Account with Alpine Bank:

Discussion ensued regarding managing the funds between the District's CSafe Account, checking account and the establishment of financial controls.

Following discussion, upon a motion duly made by Director Fiore, seconded by Director Viau and, upon vote unanimously carried, the Board directed Mr. Wolfersberger to provide financial control policy recommendations for establishing board level authority for routine, non-routine, and capital expenditures in collaboration with the District's Treasurer.

Following discussion, upon a motion duly made by Director Fiore, seconded by Director Viau and, upon vote unanimously carried, the Board authorized Director Viau to open a checking account with Alpine Bank and directed Mr. Wolfersberger to assist in adding authorized signers to the account as needed, but to limit his own authority to management of the account without check signing authority.

Other Checking Accounts:

Ms. Sedgeley reported that the District only has a CSafe account at the present time. Director Fiore requested that all records from prior checking accounts be provided to the Board.

Update Signers on
CSafe Account:

Ms. Sedgeley noted that she, as well as two people from CLA's cash division, are presently listed as signers on the account as well as Directors Viau, Rossier and Walker. She advised the Board that she can send a form to the Board so the authorized Directors can remove all CLA employees and add other authorized signers.

Following discussion, upon a motion duly made by Director Viau, seconded by Director Fiore and, upon vote unanimously carried, the Board directed Ms. Sedgeley to work with Ms. Rossier to coordinate updates to the authorized signers to the District's CSafe account in order to remove CLA and add Mr. Wolfersberger.

Director Fiore asked if updated contact information should be sent to the County Treasurer.

Following discussion, upon a motion duly made by Director Fiore, seconded by Director Viau and, upon vote unanimously carried, the Board directed Mr. Wolfersberger to send contact information letters to the County Treasurer and Clerk updating the Board contact information.

Budget Workshop:

The Board reviewed the draft 2022 budget provided by Mr. Wolfersberger. Director Fiore noted that payment of bonds and operating the District's non potable water system are the primary responsibilities of the two districts. He further noted that according to the Service Agreement between the two districts, the management was delegated to District No. 1, and pointed out that the District has taken action to cancel the Service Agreement. He recommended that the cost of operating the system be further evaluated. Mr. Wolfersberger noted that the primary purpose of District No. 2 is to pay the debt and discussed the cost of operating the District. Director Viau noted that the draft 2022 budget anticipates the General Fund mill levy going to zero in 2022. Discussion ensued regarding the revenue sources and expenses budgeted for both districts. Mr. Wolfersberger noted that ideally all of the activity would be in an Enterprise Fund in District No. 2. Ms. Rossier noted that the budget does not appear to have any shortfall as presently drafted.

Legal Matters

Continued:

Executive Session:

The Board did not convene in Executive Session.

Other Business:

None

Adjournment:

Following discussion and upon motion duly made by Director Fiore and second of Director Viau, the Board voted unanimously to adjourn the meeting at 8:10 p.m.

DocuSigned by:

Nickolas Viau

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Secretary